



Carl Vinson Institute of Government UNIVERSITY OF GEORGIA

Coronavirus State and Local Fiscal Recovery Funds Instructions for Calculating Revenue Loss Amounts Updated for Final Rule Changes

Introduction

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Final Rule allows “for the provision of government services to the extent of the reduction in revenue of such... government due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year.” This provision allows recipients experiencing budget shortfalls to use payments from the SLFRF funds to avoid cuts to government services and, thus, enables governments to continue to provide valuable services.

Key Updates from the Interim Rule to the Final Rule

The Final Rule offers a standard allowance for revenue loss of \$10 million. Governments can select between the \$10 million standard allowance or a full revenue loss calculation.

The Final Rule maintains the interim definition of “general revenue” with two exceptions: governments may choose to include utility revenue and liquor store revenue has been added to the definition.

The rate used in the revenue loss calculation has been increased to 5.2% or the government’s compound rate of growth, whichever is greater.

The Final Rule allows calculation of the revenue loss using either a fiscal year or calendar year basis that must be consistently applied. Revenue loss is separately calculated for each year. Revenues loss calculations in a given year do not affect subsequent or prior years’ calculations.

In addition, the Final Rule requires that “changes in revenue caused by tax increases or decreases adopted after the issuance of the final rule will not be treated as due to the public health emergency.” The final rule requires recipients “exclude the value of tax policy changes adopted after January 6, 2022”. See pages 4406-4407 of Federal Register Vol. 87, No 18, January 27,2022 for additional guidance.

The first step in the process is the calculation of the growth rate using revenue data reported on the Report of Local Government Finance for fiscal years 2016 through 2019. This will allow the calculation to apply to three full fiscal years. Next the higher of the calculated growth rate or 5.2% will be used to calculate the Counterfactual Revenue to compare with the actual revenue

for your jurisdiction to determine if there was a revenue loss for which SLFRF funds can be used.

Keep in mind, expenditures to provide government services as defined in the Final Rule must be identified for revenue loss calculated. Follow guidance provided by the Georgia Department of Revenue in the *Uniform Chart of Accounts for Local Governments in Georgia* for recording transactions.

Obtaining Baseline Data

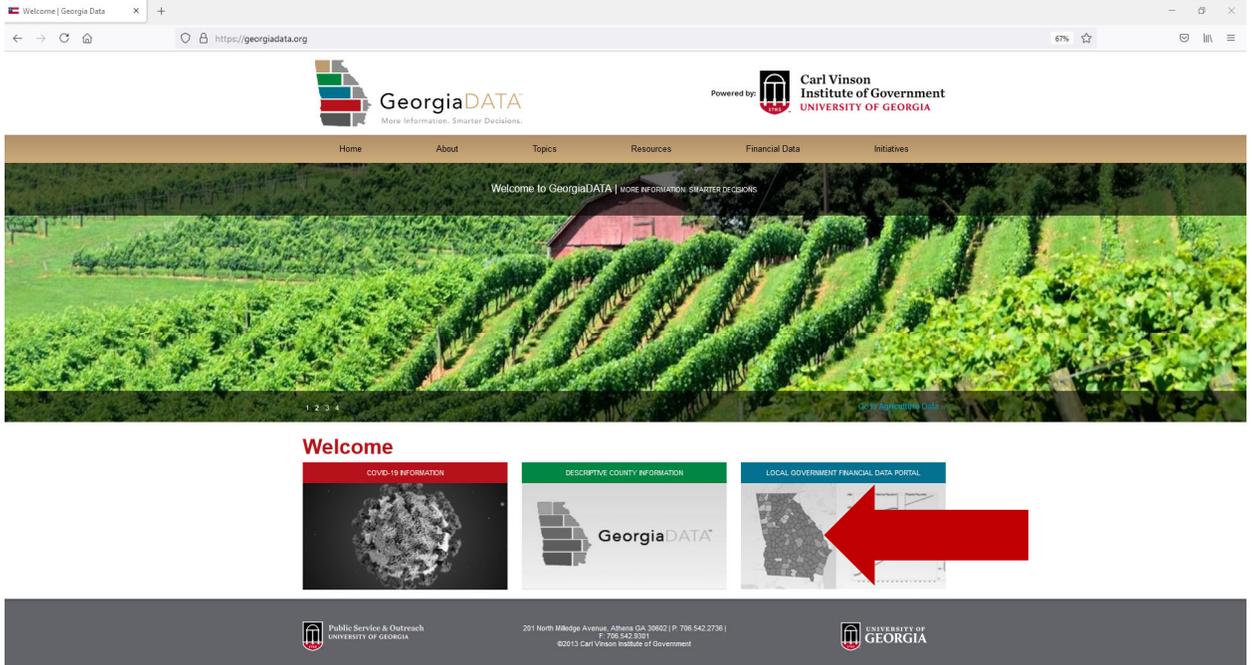
Note – Use of these instructions assumes you will exercise professional judgment. These instructions are intended as general guidance.

Calculating the revenues that may be included for determining the amount of funds that can be recovered under the SLFRF can be performed by using the data reported to the Georgia Department of Community Affairs (DCA) on the Report of Local Government Finance (RLGF). This data is available in a data warehouse (GeorgiaData.org) maintained by the Carl Vinson Institute of Government (CVIOG). Treasury indicated recipients may base their calculations using cash, accrual or modified accrual basis of accounting. Once the basis of accounting is selected, it must be consistently applied.

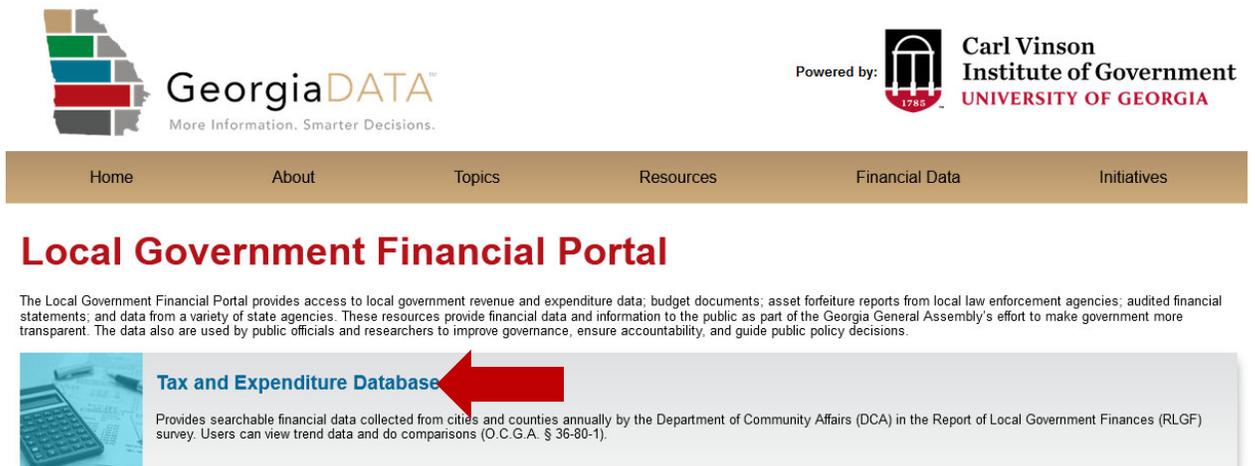
The following are the steps to extract your government’s data from the Tax and Expenditure Data Center:

Step 1 – Extract Data from the Tax and Expenditure Data Center for Georgia Local Governments

1. Go to <https://georgiadata.org/>
2. Scroll down and click on the box in the lower right corner titled “LOCAL GOVERNMENT FINANCIAL DATA PORTAL”



3. Click on the first item titled “Tax and Expenditure Database (TED)”



4. On the tan menu bar, click “File Export”



5. Select “City/County”
6. For years prior to 2016, leave the first choice as “No”
7. Export Financial Amounts or Population Counts, leave the default “Financial Amount Data”
8. Local Government Type Select “City” or “County” or “Consolidated City/County” based on your type of local government
9. Select your city, county, or consolidated city/county from the drop-down menu
10. Fiscal Years From 2016 To 2019
11. Excel Workbook Layout - Leave the data format selection as the default (#3 Expense/Revenue Classification) with revenue/expenditure classifications in the rows, Fiscal Year in the columns, and Local Government Name in the tabbed worksheet.
12. Click “Export File”.
13. Open the Excel file and save it.

Below is an example of the layout for the City of Covington.

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TED | The Tax and Expenditure Data Center for Georgia Local Governments

HOME ENTITY PROFILE/COMPARISON TRENDS FILE EXPORT REPORTS MAPS PARTNERS CONTACTS

Click on the title bar to collapse or expand the criteria entry section. Click ⓘ for term definitions.

File Export ⓘ

Enter criteria for exporting fiscal data

For years prior to 2016?: Yes No

Export Financial Amounts or Population Counts? ⓘ: Financial Amount Data Population Count Data

Local Government Type ⓘ: City

City ⓘ: COVINGTON

Fiscal Years ⓘ: From: 2016 To: 2019

	#	In Rows	In Columns	Per Tab (worksheet)
Excel Workbook Layout ⓘ:	<input type="radio"/>	1 Expense/Revenue Classification	Local Government Name	Fiscal Year
	<input type="radio"/>	2 Local Government Name	Expense/Revenue Classification	Fiscal Year
	<input checked="" type="radio"/>	3 Expense/Revenue Classification	Fiscal Year	Local Government Name
	<input type="radio"/>	4 Fiscal Year	Expense/Revenue Classification	Local Government Name
	<input type="radio"/>	5 Local Government Name	Fiscal Year	Expense/Revenue Classification

Export File

Step 2 – Prepare the Excel file data to use for the revenue loss calculation

The GeorgiaData.org Excel worksheet contains all the data submitted to DCA on the RLGf for the fiscal years 2016 through 2019. Fiscal year 2016 should be in column B, 2017 in column C, and 2018 in column D and 2019 in column E. If data are missing, DCA did not have the data at the time they transmitted the file to CVIOG. Missing data must be entered using information from your government’s accounting system.

The first section of the TED data worksheet contains revenue amounts with category lines highlighted in shades of green. The darkest green bar on line 3 contains total revenue amounts as submitted to DCA. Start with the total and subtract those items that are not to be included in the revenue calculation for revenue loss recovery under the Final Rule.

Note – the figure below is a partial view of the data when extracted from the Tax and Expenditure Database.

	A	B	C	D	E
1	Classification	2016	2017	2018	2019
2	Revenues				
3	TOTAL REVENUES	\$98,786,174.00	\$95,175,369.00	\$102,738,211.00	\$112,123,105.00
4	GENERAL REVENUES	\$22,086,560.00	\$21,974,866.00	\$26,851,943.00	\$32,867,068.00
5	PART I TAX REVENUES	\$10,191,790.00	\$10,496,964.00	\$11,215,537.00	\$12,357,571.00
6	Section A - General Property Taxes	\$4,766,085.00	\$4,927,107.00	\$5,176,099.00	\$5,716,037.00
7	Real Property Taxes, Current Year	\$4,259,040.00	\$4,498,972.00	\$4,669,983.00	\$5,115,273.00
8	Real Property Taxes, Current Year - Public Utility	\$0.00	\$0.00	\$0.00	\$0.00
9	Real Property Taxes, Current Year - Timber Taxes	\$0.00	\$0.00	\$206.00	\$219.00
10	Real Property Taxes, Current Year - Other	\$4,126.00	\$10,101.00	\$12,198.00	\$673.00
11	Real Property Taxes, Prior Year	\$9,731.00	\$0.00	\$0.00	\$0.00
12	Personal Property Taxes, Current Year	\$4,729.00	\$0.00	\$0.00	\$0.00
13	Personal Property Taxes, Prior Year	\$0.00	\$0.00	\$0.00	\$0.00
14	Personal Property Taxes, Current Year - Motor Vehicle Taxes	\$411,858.00	\$169,601.00	\$422,043.00	\$484,536.00
15	Personal Property Taxes, Current Year - Title Ad Valorem Tax (TAVT)	\$0.00	\$180,728.00	\$0.00	\$0.00
16	Personal Property Taxes, Current Year - ALT - Apportioned Vehicles (AAVT)	\$0.00	\$0.00	\$0.00	\$0.00
17	Personal Property Taxes, Current Year - Mobile Home Taxes	\$405.00	\$411.00	\$510.00	\$315.00
18	Personal Property Taxes, Current Year - Intangibles	\$53,581.00	\$48,395.00	\$43,122.00	\$53,879.00
19	Personal Property Taxes, Current Year - Railroad Equipment Tax	\$4,904.00	\$7,177.00	\$2,491.00	\$11,882.00
20	Personal Property Taxes, Current Year - Other	\$0.00	\$53.00	\$3,017.00	\$18,623.00
21	Penalties and Interest on Delinquent Taxes	\$17,711.00	\$11,671.00	\$22,529.00	\$30,637.00
22	Section B - General Sales and Use Taxes	\$1,981,351.00	\$2,032,195.00	\$2,175,482.00	\$2,476,835.00
23	Local Option Sales Tax (LOST) Counties Only	\$1,981,351.00	\$2,032,195.00	\$2,175,482.00	\$2,476,835.00
24	Special Purpose Local Option Sales Tax (SPLOST)	\$0.00	\$0.00	\$0.00	\$0.00
25	Local Option Sales Tax - Homestead (HOST)	\$0.00	\$0.00	\$0.00	\$0.00
26	Special Purpose Local Option Sales Tax (TSPLOST) Regional	\$0.00	\$0.00	\$0.00	\$0.00
27	Special Purpose Local Option Sales Tax (TSPLOST2) Single County	\$0.00	\$0.00	\$0.00	\$0.00
28	Municipal Option Sales Tax (MOST) Atlanta Only	\$0.00	\$0.00	\$0.00	\$0.00
29	Local Option Sales Tax (O-LOST) Columbus-Muscogee only	\$0.00	\$0.00	\$0.00	\$0.00
30	MARTA Sales Tax (DeKalb, Fulton, Clayton)	\$0.00	\$0.00	\$0.00	\$0.00

The revenue section ends at row 141. Select any cell on row 142 and add a line above that point. Do this by right clicking your mouse, then select “Insert,” select “Entire row,” and click OK. There will be a new blank line 142. This line will be used to enter a formula for the required calculation.

Note – the figure below includes the Excel file extracted from the Tax and Expenditure Database with a blank line inserted on row 142.

	A	B	C	D	E
121	All Additional Revenues	\$2,349.00	\$362,934.00	\$480,338.00	\$0.00
122	ENTERPRISE FUND REVENUES	\$76,699,614.00	\$73,200,503.00	\$75,896,268.00	\$79,256,037.00
123	Part 4 REVENUES FROM PUBLIC UTILITY SYSTEMS AND OTHER ENTERPRISE FUNDS	\$76,699,614.00	\$73,200,503.00	\$75,896,268.00	\$79,256,037.00
124	Sanitation Fees - Refuse Collection Charges	\$2,726,029.00	\$2,731,690.00	\$2,784,374.00	\$2,981,307.00
125	Sales of Waste and Sludge	\$0.00	\$0.00	\$0.00	\$0.00
126	Sales of Recycled Materials	\$21,304.00	\$36,586.00	\$49,735.00	\$32,825.00
127	Sanitation Fees - Landfill Use Fees	\$0.00	\$0.00	\$0.00	\$0.00
128	Sanitation Fees - Solid Waste Recycling Fees	\$0.00	\$0.00	\$0.00	\$0.00
129	Water Charges	\$8,221,458.00	\$6,805,006.00	\$6,554,872.00	\$7,111,923.00
130	Sewerage Charges	\$4,783,061.00	\$5,356,494.00	\$5,363,062.00	\$6,296,291.00
131	Storm Water Utility Charges	\$827,117.00	\$697,293.00	\$901,174.00	\$834,101.00
132	Electric Charges	\$46,829,004.00	\$44,609,354.00	\$45,251,355.00	\$46,397,909.00
133	Gas Charges	\$12,848,047.00	\$12,554,263.00	\$14,465,931.00	\$15,164,228.00
134	Telephone Charges	\$0.00	\$0.00	\$0.00	\$0.00
135	Television Cable Charges	\$0.00	\$0.00	\$0.00	\$0.00
136	Golf Course Charges	\$0.00	\$0.00	\$0.00	\$0.00
137	Airport Charges	\$403,246.00	\$368,932.00	\$476,654.00	\$500,758.00
138	Parking Charges	\$0.00	\$0.00	\$0.00	\$0.00
139	Transit Charges	\$0.00	\$0.00	\$0.00	\$0.00
140	Telecommunications Charges	\$40,346.00	\$40,885.00	\$39,112.00	\$36,696.00
141	Other Utility/Enterprise Fund Charges	\$0.00	\$0.00	\$0.00	\$0.00
142					

The downloaded data was provided to the Georgia Department of Community Affairs by your government. It is your responsibility to adjust those amounts to meet the definition of General Revenue as defined in the Final Rule of the Coronavirus State and Local Fiscal Recovery Funds Rules and Regulations. <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds> (See pages 4403-4404)

The Final Rule revised the definition of General Revenue to allow governments that operate utilities that are part of their own government to choose whether to include utility revenue as part of their revenue loss calculation. The definition of “general revenue” was based on guidance provided in the Census Bureau’s Annual Survey of State and Local Government Finances, Chapter 4, Revenue. <https://www.census.gov/programs-surveys/gov-finances/technical-documentation/classification-manuals.html>

Exclusions to revenue include proceeds from borrowings, proceeds from the sale of investments except for recorded profit or loss, transfers from agencies or funds of the same government, agency or private trust transactions, refunds and other correcting transactions deducted from expenditures, and intergovernmental transfers from the federal government. Ensure revenue included in the revenue loss calculation does not include these amounts.

Select cell B142. This should be in the first column of data for FY2016. ***The adjustments to the formula will be dependent on whether you choose to include utility revenues. In addition, adjustments must be entered for any tax policy changes as specified by the Final Rule.***

Begin with total Revenues (B3)

Subtract Intergovernmental Revenues – Federal (B78)

Subtract Unrealized Gain/Loss on Investments (B115)

After verifying the accuracy of the formula, copy it to cells C142, D142 and E142 in the TED worksheet.

Review amounts posted to All Additional Revenues for categories to exclude from the calculation.

Should your government decide to exclude utility revenue subtract those amounts from the total. If there were tax policy changes resulting in increasing or decreasing taxes, these amounts must be estimated and adjusted. In addition, if any revenue relates to agency (custodial funds) or trust funds subtract these amounts.

Entering Data in the SLFRF Revenue Loss Calculation Worksheet

Open the Revenue Loss Calculation Excel file. You will enter data into the cells highlighted in red.

Step 1

Select the month when your fiscal year ends from the drop-down menu.

Step 2

Enter the revenue amounts extracted using the TED database worksheet and adjusted for excluded revenues for fiscal years 2016, 2017, 2018, and 2019. These should be in cells B142,

C142, D142, and E142 in your TED data worksheet. Enter the amount for each fiscal year in the appropriate red highlighted cell. The compound rate of growth is automatically calculated. Below the Compound rate of growth percentage, the Rate for calculations is automatically calculated. The rate is based on a formula that compares the Compound rate of growth with 5.2% and selects the higher of the two rates.

Step 3

The next step requires entering revenue for either fiscal years or calendar years 2020 through 2023 as those years are completed. The local government can decide which period to use. Once the decision is made, it must be consistently applied. Remember to only include revenue sources that were used in the calculations in the TED data worksheet. Refer to the formula entered in cell B142 in the TED database worksheet to identify the items that were subtracted from the revenue total.

The worksheet calculates the counterfactual growth rate and revenue. When the actual revenue amounts are entered as each fiscal or calendar year is ended, the amount of funds available for recovery will be calculated in the Revenue Loss Calculation Worksheet in Step 3. The revenue loss calculation is the Counterfactual Revenue less the Actual Revenue equals the SLFRF Funds Available. This amount could be considered a use of the Coronavirus State and Local Fiscal Recovery Funds for eligible expenditures. Remember, you must identify qualifying expenditures equal to the amount of revenue loss calculated.

Note – The revenue loss calculation will be performed at the end of each fiscal or calendar year for 2020, 2021, 2022, and 2023. If revenue codes are changed in the Georgia Local Government Uniform Chart of Accounts, it will require adjustments to the formula. Additionally, all calculations assume governments have properly categorized all revenue.