



North Carolina Department of Public Safety

Governor's Crime Commission

Roy Cooper, Governor
Erik A. Hooks, Secretary

Robert Evans, Chairman
Caroline C. Valand, Executive Director

Date: April 9, 2020
To: GCC Subrecipients
From: Caroline Valand
Executive Director, GCC
Subject: COVID-19 Resources

You are receiving this email as the Financial Official or Project Director for an open project awarded with Juvenile Justice (JJ), Violence Against Women Act (VAWA), or Victims of Crime Act (VOCA) funds.

Many of you have asked questions about the Paycheck Protection Program (PPP) – that is the Small Business Association (SBA) federal loan (with loan forgiveness) program that helps businesses keep their workforce employed during the Coronavirus (COVID-19) crisis -- and how using a PPP loan could affect your compliance with federal prohibitions against supplanting and duplicating federal grant funds. For those of you who need more information about COVID-19 assistance available through the SBA, additional information can be found on their website at: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options>

Although there are still many questions and much that has yet to be clarified, we have received the following guidance from our VOCA program manager as guidance from the Office of Justice Programs (OJP) on coordinating this funding with your federal grants.

If a subrecipient receives a federally-guaranteed loan under the PPP to cover staff costs instead of its own funding, and later seeks reimbursement for those same costs from the SAA, here are the following considerations on whether this would be a duplication or supplanting issue:

Duplication occurs when the subrecipient uses VOCA Assistance funds to pay for specific costs already covered by other sources. For example:

- *If the subrecipient pays a staff position from the PPP loan then draws down VOCA funds to cover the same staff position, but never pays the loan back because it was forgiven, the subrecipient may have duplicated costs (or otherwise made an improper payment, see 2 C.F.R. 200.53), unless the forgiven loan funds are allocated to a different cost item. For example:*
 - o *The PPP loan paid salary for employee 1, but then reallocated to pay salary for employee 2, and then used the VOCA funds to pay for employee 1.*

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*If the subrecipient pays back the loan, it would **not** be duplication.*

Supplanting occurs when a subrecipient intentionally replaces its other state or local victim service funding sources with VOCA funding. For example:

- *If a subrecipient uses VOCA funds to replace a PPP loan, then repays that loan instead of keeping the loan funds under the forgiveness provisions, it would **not** be supplanting.*
- *If a subrecipient uses VOCA funds to replace a PPP loan, then uses those loan funds for another expense (whether the loan is forgiven or not), it typically would **not** be supplanting because PPP funding is not specifically designated for victim service purposes.*

We would also like to inform you that there may be other opportunities for assistance available to your organization and/or the people that you serve through the NC Division of Emergency Management (EM). As such, we are sharing information that we have received that the NC Division of Emergency Management has scheduled a series of COVID-19 Applicant Briefings for local governments and eligible nonprofits to start the FEMA reimbursement process for eligible COVID-19 emergency protective measures expenses. Two duplicate rounds of Applicant Briefings will be offered during the weeks of March 30 and April 6. After the Applicant Briefings are completed, more will be scheduled as needed. You only need to participate in one briefing. An on-demand briefing will be available after the week of April 6; the on-demand briefing will be posted on the NCEM Public Assistance COVID-19 Webpage: <https://www.ncdps.gov/our-organization/emergency-management/disaster-recovery/covid-19-public-assistance>

As we receive additional information about opportunities, we will post that information on the GCC website at: <https://www.ncdps.gov/about-dps/boards-and-commissions/governors-crime-commission>

Thank you,

Caroline Valand