

North Carolina Coronavirus Relief Fund
Frequently Asked Questions for Funding distributed to Non-Profits per S.L. 2020-4

Note that this information is provided as a reference and is current as of June 25, 2020. In the event of a conflict between this document and state law, federal law, or US Treasury guidance, the state and federal laws and guidance supersede this document.

Questions	Response
When can nonprofits expect to receive their funds and will funds be released on a reimbursement basis?	Funds will be released once the contract has been executed. NC Pandemic Recovery Office (NC PRO) will advance 50% of the allocation. The remainder will be provided on a reimbursement basis.
Must the entire advance be spent prior to making a request for additional funds?	No. The entire amount does not have to be spent before making an additional request for funds.
How often can I make a request for additional funds?	Requests can be made no more than once per month.
What documents must I submit to obtain more funds?	The reimbursement form must be completed. This form is provided with the contract and can be found on the NC PRO website (https://www.nc.gov/agencies/ncpro). Also, documents must be included to support incurred expenses. The documents may include, but are not limited to: check registers, ledgers, payroll records, invoices and cancelled checks.
Are these dollars considered State funds or federal funds and are there any special accounting requirements?	These are federal funds and should not be comingled with other funds. Separate accounting is required for these funds.
What are the Federal Requirements surrounding the Coronavirus Relief Funds that are appropriated for Session Law 2020-4?	<p>The US Treasury guidance document issued April 22, 2020, states: <i>The CARES Act provides that payments from the Coronavirus Relief Fund may only be used to cover costs that:</i></p> <ol style="list-style-type: none"> <i>1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); and</i> <i>2. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.</i> <p>In addition, funds can only be spent as mandated in Session Law 2020-4 Section 3.3 or any other laws appropriating CRF funds.</p>
Can CRF funds be used to reimburse for expenses already incurred (dating back to 3/1/2020) or only for new expenses going forward?	CRF funds can be used to reimburse nonprofit expenses already incurred dating back to March 1, 2020, assuming the expenses are directly related to COVID-19 and conform with the requirements as designated in Session Law 2020-4 or any other law appropriating CRF funds.

North Carolina Coronavirus Relief Fund
Frequently Asked Questions for Funding distributed to Non-Profits per S.L. 2020-4

Note that this information is provided as a reference and is current as of June 25, 2020. In the event of a conflict between this document and state law, federal law, or US Treasury guidance, the state and federal laws and guidance supersede this document.

Questions	Response
When does a cost incur?	The US Treasury guidance defines "incurred" as being when the responsible party has expended funds to cover the cost. This means when a check or electronic fund transfer is issued between March 1, 2020 through December 30, 2020.
If I create an obligation or encumbrance of funds, would this be consider spent?	No. The US Treasury considers "incurred" as money being spent, checks issued, payments made, and so forth. Therefore, encumbrances and/or obligations are not considered incurred expenses.
Can CRF funds be used to match other federal funds (like FEMA grants)?	CRF can be used to match the 25% requirement for FEMA-PA expenses.
Do we have to comply with the Uniform Guidance?	The US Treasury updated FAQs state fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.
If a nonprofit subgrants a portion of its allocation with other entities, who is accountable for the funds?	The nonprofit name in Session Law 2020-4 or any other law appropriating CRF funds, is responsible for a subgrantee's use of funds and must provide oversight and monitoring of their subrecipients as designated in 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management.
What happens to the interest that is earned on CRF monies that are advanced to the nonprofits?	Interest or other proceeds earned on CRF funds must be used only as prescribed in Session Law 2020-4 and the federal guidance.
Do nonprofit employees, or their recipients have to meet the "substantially dedicated" requirement as identified in the US Treasury Guidance, for funding payroll expense with CRF funds?	No. Only public employees are mandated to meet the "substantially dedicated" requirement. The US Treasury Guidance published on May 28, 2020, states that a private employer's employees are not subject to the restriction that require an employee to be substantially dedicated to mitigating or responding to the COVID-19 public health emergency for payroll expenses to be allowable. See section below "Modified on JUNE 25, 2020 based on US Treasury FAQs published June 24, 2020" for additional guidance.
Can CRF funds be used to pay employee payroll expenses?	Payroll expenses are allowed if the employee is duties related to remediating or responding to COVID-19. Proper timekeeping must be maintained for employee payroll cost that is split funded.

North Carolina Coronavirus Relief Fund
Frequently Asked Questions for Funding distributed to Non-Profits per S.L. 2020-4

Note that this information is provided as a reference and is current as of June 25, 2020. In the event of a conflict between this document and state law, federal law, or US Treasury guidance, the state and federal laws and guidance supersede this document.

Questions	Response
Please explain payroll costs.	Payroll cost include salaries and benefits, hazard pay and overtime cost.
What types of expenses are allowable?	<p>There are two federal criteria to assess to determine if an expense is allowed: (1) Is the expense a necessary expenditure incurred between March 1 and December 30, 2020 and (2) is the expense related to COVID-19. In addition, funds can only be used as directed in Session Law 2020-4. If all of these criteria are met, it is an allowable CRF expense.</p> <p>Some examples: costs of renovations to create a 6' separation or a physical barrier between employee and patient/customer; technology and training to enable telemedicine; equipment need for research related to vaccines, supplies for testing including serological testing, payroll cost for private healthcare employees, or retro fitting facilities to meet infection control standards, since these are directly related to COVID-19 remediation, response or recovery.</p>
Can I use CRF funds to pay employees that are furloughed?	No. CRF funds can not be used for payroll costs related to employees that are furloughed.
Is it allowable to retain a certain percent of funds to cover administrative cost?	No. There is no allowance for administration cost. In addition, fund may only be used as directed in the Session Law 2020-4.

North Carolina Coronavirus Relief Fund
Frequently Asked Questions for Funding distributed to Non-Profits per S.L. 2020-4

Note that this information is provided as a reference and is current as of June 25, 2020. In the event of a conflict between this document and state law, federal law, or US Treasury guidance, the state and federal laws and guidance supersede this document.

Questions	Response
Are any nonprofit grantees' administrative costs allowable?	Generally, indirect administrative costs are not allowable. A grantee cost that can be directly identified to the COVID-19-related activity stated in their contract or that can be directly assigned to such activities relatively easily and with a high degree of accuracy and is separately accounted for, can be allowable. Such costs include, but are not limited to, salaries, travel, equipment, and supplies directly benefiting the grant-supported project or activity. For example, if a grantee's purchasing manager spends 25% of his or her time on grant-related activities and his or her timesheet reflects that 25% of his or her time is dedicated to these activities, and is accounted for separately, the personnel cost related to such activity is acceptable. Most organizations also incur costs for common or joint objectives that cannot be readily identified with an individual project or program. Facilities operation and maintenance costs, depreciation, and administrative expenses are examples of costs that usually are treated as indirect costs. These are necessary costs incurred by a recipient for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. Such indirect costs are not allowable.
Can we prepay for services or goods that will be provided or received after December 30, 2020?	No. Prepayment for any goods or services is not allowed.
Can CRF funds be used for revenue replacement?	No. Revenue replacement is not allowable pursuant to the US Treasury Guidance
Can I reimburse donors for donate items or services?	No. CRF funds can not be used for reimbursing donors.
What happens to CRF funds or interest earned that is not spent by December 30, 2020?	All unspent funds and interest earned on these funds must be returned to the State, and the State in turn will return the funds to the US Treasury.

North Carolina Coronavirus Relief Fund
Frequently Asked Questions for Funding distributed to Non-Profits per S.L. 2020-4

Note that this information is provided as a reference and is current as of June 25, 2020. In the event of a conflict between this document and state law, federal law, or US Treasury guidance, the state and federal laws and guidance supersede this document.

Questions	Response
COVID-19 related unemployment is causing individuals to lose their health insurance, and in turn, the number of patients seeking medical services from our clinics has increased. Our clinics' mission is to serve indigent and low income clients. Can we use CRF funds to offset patient payments whether or not services for those patients relate to COVID-19?	<p>CRF funds can be used to off-set cost for patient services if it directly relates to COVID-19 screening, testing, and other service provide during the visit. CRF funds can also be used to off-set service costs related to patient that lost their job due to business closure and furloughs as it related to COVID-19. It will be the recipients responsibility to ensure appropriate documents are maintain related to services rendered and unemployment status.</p> <p>When CFR funds are used to off-set patient costs, the recipient can not use CRF funds for staffing cost or other related costs that are built into the patient service charges. This would be considered duplication of benefits or double dipping.</p>
What is the CFDA number for these federal funds?	The CFDA number is 21.019 and is pending completion of registration.
Are these fund subject to the Single Audit Act?	Yes these funds are subject to the Single Audit Act and funds maybe used to cover cost related to a Single Audit subject to the limitation in 2 C.F.R. § 200.425.
Modified on JUNE 25, 2020 based on US Treasury FAQs published June 24, 2020	
Duplication of benefits is not allowed but what is meant by "duplication of benefits"?	<p>When a nonprofit, clinic or health center receives other funding, such as Medicaid, Medicare, private insurance, patient, or provider relief payments, or FEMA reimbursements to cover specific expenses, these same expenses cannot be used for CRF expenses.</p> <p>Example of duplicate benefits:</p> <ol style="list-style-type: none"> 1. If labor costs for clinic staff are included in patient billing and/or otherwise covered by another funding source (Medicare/Medicaid/patient insurance), CRF funds cannot be used to cover those same labor costs. 2. If PPE is reimbursed through FEMA PA funding, only 25% of the cost associated with that expense can be covered by CRF.
Are free and charitable clinics and health centers employees considered public health employees?	Yes. Employees at the free and charitable clinics and health centers are considered public health employees.
What are the rules surrounding payroll costs associated with public health employees?	Public Health employees are presumed to be <u>substantially dedicated</u> to mitigating or responding to COVID-19 based on the US Treasury FAQs.

North Carolina Coronavirus Relief Fund
Frequently Asked Questions for Funding distributed to Non-Profits per S.L. 2020-4

Note that this information is provided as a reference and is current as of June 25, 2020. In the event of a conflict between this document and state law, federal law, or US Treasury guidance, the state and federal laws and guidance supersede this document.

Questions	Response
<p>What is the effect if an employee is identified as “substantially dedicated”, like a public health employee?</p>	<p>A employee must work 50% or more of their scheduled working hours on mitigations or response to the COVID-19 health pandemic activities to be “substantially dedicated”. CRF money can be used to cover 100% of payroll costs for substantially dedicated employees. Public Health employees would not be required to document time between related and unrelated COVID-19 activities since they are presumed to be substantially dedicated. All other employees would have to document time to support the substantially dedicated requirement.</p>
<p>Since all Public Health employees are presumed to be substantially dedicated to activities related to COVID-19, does this included administrative staff of free and charitable clinics and health centers?</p>	<p>No. Administrative staff within free and charitable clinics and health centers are not presumed to be "substantially dedicated".</p> <p>To use CRF funds for payroll cost related to administrative personnel, the administrative personnel would have to be working on COVID-19 related activities.</p> <p>In addition, if you have to hire new administrative staff to manage COVID-19 administrative work, CRF funds may be used to cover 100% of payroll cost for these additional employees.</p>