

## Coronavirus Relief Fund Frequently Asked Questions

*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.*

### **What types of expenses are allowable uses of the Coronavirus Relief Fund (CRF)?**

There are two criteria 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. If both of these criteria are met, and the expense was not included in your most recently authorized budget, it is, generally, an allowable CRF expense.

For example, costs of renovations to create a 6' separation or a physical barrier between employee and customer; technology to enable mandated services while complying with safety precautions; warehouse and temporary space needs would all be considered allowable expenses, assuming they occurred after March 1, 2020, because they are directly related to COVID-19 remediation, response or recovery.

### **Can CRF be used to reimburse expenses already incurred or only for new expenses?**

CRF monies can be used to reimburse agencies for expenses already incurred dating back to March 1, 2020 assuming the expense meets the other requirements for use of the Coronavirus Relief Fund.

Per US Treasury guidance costs must have been incurred on or after March 1, 2020. Treasury guidance defines "incurred" as being "when the responsible unit of government has expended funds to cover the cost." Thus, if a county obligated funds for COVID-19 related expenses prior to March 1, 2020 but had not yet expended those funds as of March 1, 2020 those expenses are an allowable use.

### **Can payroll expenses, which are already budgeted, be funded by CRF funds?**

CRF money can be used for payroll expenses for all public health, public safety, health care, human service and similar employees substantially dedicated to COVID-19 response and mitigation. The US Treasury has determined that payroll expenses for public safety and public health employees, such as law enforcement officers, may be considered substantially dedicated.

The payroll expenses of employees whose work has been substantially redirected and are substantially dedicated to mitigating or responding to COVID-19 are an allowable expense.

CRF funds can also be used for payroll expenses of staff hired to meet COVID-19 response needs (such as additional EMS, contact tracers, grant monitors, etc.)

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### When can CRF funds be used to cover payroll expenses of employees on leave?

In order for an agency to use CRF money to pay for leave, the leave must comply with the leave required in the Family First Coronavirus Relief Act (FFCRA). If the agency cannot ensure that the leave was taken for reasons outlined in FFCRA, then CRF money cannot be used.

OSHR's State of Emergency (SoE) leave exceeds the requirements of FFCRA because it provides leave for those who cannot telework; this portion of the SoE leave is not an allowable CRF expense. OSHR has requested that your agency HR Directors track your agency's allocations of SoE leave into 4 categories: (1) COVID-19 Symptoms/ Illness; (2) Childcare Issues; (3) Eldercare Issues; and (4) Telework Issues. The first two are allowable CRF expenses - (1) COVID-19 symptoms/ illness is 100% reimbursable; (2) Childcare issues can be reimbursed at 2/3rds of pay. Categories (3) and (4), i.e. eldercare and telework issues, are not an allowable use of CRF funds. Agencies should use this information to allocate SoE leave costs for inclusion in the Smartsheet.

Agencies not subject to OSHR policy should track leave in the categories described above (or similar) so that leave can be properly accounted for and, if possible, funded with CRF.

### Can CRF be used for hazard pay and how should hazard pay be determined?

Hazard pay is an allowable expense for employees substantially dedicated to addressing COVID-19.

Each agency must determine the rate of hazard pay to be provided in accordance with the appropriate governing authority's policies. Hazard pay can be a one-time bonus, a percentage of base pay, or compensatory leave. General bonuses to all employees not for hazard pay is not a COVID-19 expense and, thus, not an allowable CRF expense.

### What constitutes "substantially dedicated" for payroll expenses of which employees can be funded with CRF funds?

Based on the US Treasury Guidance published on May 4, 2020, all public safety and public health employees are presumed to be "substantially dedicated" to mitigating or responding to the COVID-19 public health emergency; this designation is not based on a percentage of time dedicated to COVID-19 activities. All payroll costs including salary and benefits related to these employee are allowable.

Other employees (essential, nonessential, administrative, etc.) must meet the Treasury guidance on "substantially different use" for payroll expenses of these employees to be an eligible CRF expense. This guidance states that "costs of personnel that were budgeted in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions" may be funded with CRF fund.

### What constitutes a "substantially different use" of funds?

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Based on the US Treasury Guidance published on May 4, 2020, a cost incurred for a substantially different use includes, but is not limited to, cost of personnel and services that were budget but which, due entirely to COVID-19, have been diverted to a substantially different function. Examples of "substantially different use" include:

- Redeploying corrections staff to enable compliance with public health precautions.
- Redeploying a Park employee, due to park closures, to a call center.
- Reassigning an auditor to serve as Grant Coordinator, overseeing CARES Act funds.

Providing a service from a different location or in a different manner is not a substantially different use.

Examples of "NOT substantially different use" include:

- A museum employee who was providing in-person tours and is now providing virtual tours continues to perform the same service.
- A budget analyst who is reassigned to only COVID-19 funds continues to perform the same function.

### **Must agencies keep time sheets or other accounting of the time that an employee spends on COVID-19 related work to document that the employee is "substantially dedicated"?**

For employees not considered to be Public Health or Public Safety employees, you must meet the time and effort requirements as stated in 2 CFR 200.430 since the US Treasury has not waived any of these requirements.

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### **I don't understand the "non-supplant" prohibition; salaries are already budgeted in annual budget and can be funded through CRF, but other line items in budget cannot be?**

Supplanting is: If the agency's most recently approved budget prior to March 27, 2020 had a provision to allocate \$10,000 for personal protective equipment (PPE) for COVID-19. The agency must use those funds to purchase \$10,000 of PPE and any amounts spent over \$10,000 for PPE can be covered by CRF monies. A cost meets this requirement if either:

1. The cost cannot lawfully be funded using a line item, allotment, or allocation within that budget; or
2. The cost is for a substantially different use from an expected use of funds in such a line item, allotment, or allocation.

### **Generally, what expenses related to cleaning government buildings and facilities are allowable uses of the CRF funds?**

Expenses for disinfection of public areas, buildings, parks, and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency, is an allowable expense. The US Treasury Guidance issued April 22, 2020 and the FAQs released May 4, 2020 are good resources for understanding eligible expenses.

### **Can CRF funds be used to pay for expenses in preparation for the coming hurricane season for public health/COVID-19 related measures such as curtains and temporary room dividers for social distancing in emergency shelters?**

CRF funds can not be used to prepare for future disasters.

### **Can CRF funds be used to match other federal funds?**

Due to the new federal guidance that states and locals can use CRF to match FEMA funds, OSBM/NCPRO is reversing its opinion on priority use of funds. For expenses that are eligible for both FEMA-PA and CRF, agencies should use FEMA PA first and use CRF funds second.

### **What is the CFDA number for these federal funds?**

There is no CFDA number.

### **Do we have to comply with the Uniform Guidance?**

Since the US Treasury has not provided any guidance as far as waiving any requirements, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) promulgated by the United States Office of Management and Budget must be followed as of this time.