

Local Government Distributions of the Coronavirus Relief Fund

Office of State Budget and Management –
Pandemic Recovery Office

June 30, 2020



Agenda

- Overview of Laws
- Funding Allocation
- GASB Accounting Standards
- New Guidance on Use of Funds
- Reporting Requirements



Overview of Laws

- CARES Act
 - Passed March 27, 2020
 - North Carolina \$7.6 billion
 - Loans \$13 billion
- Session Law 2020-4
 - Governor signed May 4, 2020
 - Appropriated Coronavirus Relief Funds
 - ✓ Department of the Treasury Guidance on April 22
 - ✓ Issued FAQs on May 4 and updated on May 28
 - ✓ Issued updated FAQs on June 24



Legislative Changes in H.B. 1023

- Appropriates an additional \$150 million for counties and municipalities (total of \$300 million)
- Counties must allocate at least 25% of funds for use by municipalities within the county
- Requires all municipalities receiving funds to develop a plan for expenditure by Sept. 1, 2020
 - If municipalities do not develop a plan, they must return the funds to the county. The county may then use the funds or redistribute them to other municipalities.



Legislative Changes in H.B. 1023

- These use of these funds are subject to the guidance released by the U.S. Treasury, including:
 - Must be spent by Dec 30, 2020
 - Must be spent on eligible, COVID-related expenses
 - Subject to recoupment if spent on ineligible expenses



County and Municipal Allocations, Round Two

Local Government Coronavirus Relief Fund County Allocations (Round 2)

	<i>Round 2 Allocation</i>	<i>Municipal Distribution</i>		<i>Round 2 Allocation</i>	<i>Municipal Distribution</i>		<i>Round 2 Allocation</i>	<i>Municipal Distribution</i>
Alamance	3,289,822	1,574,447	Franklin	1,352,443	684,060	Orange	2,881,614	1,386,842
Alexander	727,740	396,957	Gaston	4,357,647	2,065,202	Pamlico	246,986	176,010
Alleghany	216,146	161,837	Gates	224,395	165,628	Pasquotank	772,902	417,713
Anson	474,447	280,548	Graham	163,822	137,790	Pender	1,223,865	624,968
Ashe	527,954	305,139	Granville	1,173,075	601,625	Perquimans	261,289	182,584
Avery	340,745	219,101	Greene	408,906	250,426	Person	766,420	414,734
Beaufort	912,057	481,666	Guilford*	-	-	Pitt	3,507,831	1,674,641
Bertie	367,722	231,499	Halifax	970,591	508,568	Polk	402,210	247,349
Bladen	635,067	354,366	Harnett	2,639,015	1,275,347	Randolph	2,788,281	1,343,948
Brunswick	2,771,843	1,336,393	Haywood	1,209,445	618,341	Richmond	870,039	462,355
Buncombe	5,069,181	2,392,211	Henderson	2,278,823	1,109,809	Robeson	2,535,163	1,227,619
Burke	1,756,128	869,587	Hertford	459,522	273,689	Rockingham	1,766,317	874,270
Cabarrus	4,200,908	1,993,167	Hoke	1,071,979	555,163	Rowan	2,757,636	1,329,864
Caldwell	1,594,906	795,492	Hyde	95,817	106,536	Rutherford	1,300,895	660,370
Camden	210,906	159,429	Iredell	3,528,481	1,684,131	Sampson	1,233,006	629,169
Carteret	1,348,328	682,169	Jackson	852,746	454,408	Scotland	675,843	373,106
Caswell	438,697	264,118	Johnston	4,062,840	1,929,714	Stanly	1,218,935	622,702
Catawba	3,096,557	1,485,626	Jones	182,803	146,513	Stokes	884,828	469,152
Chatham	1,445,310	726,740	Lee	1,199,004	613,542	Surry	1,393,161	702,773
Cherokee	555,300	317,707	Lenoir	1,085,855	561,541	Swain	276,971	189,791
Chowan	270,605	186,866	Lincoln	1,671,238	830,573	Transylvania	667,342	369,199
Clay	217,971	162,676	Macon	695,930	382,338	Tyrrell	77,942	98,321
Cleveland	1,900,950	936,145	Madison	422,220	256,545	Union	4,655,171	2,201,939
Columbus	1,077,296	557,607	Martin	435,514	262,655	Vance	864,333	459,733
Craven	1,982,308	973,536	Mcdowell	888,030	470,624	Wake*	-	-
Cumberland	6,511,541	3,055,096	Mecklenburg*	-	-	Warren	382,938	238,492
Currituck	538,823	310,134	Mitchell	290,421	195,972	Washington	224,744	165,789
Dare	718,269	392,604	Montgomery	527,372	304,871	Watauga	1,090,280	563,575
Davidson	3,252,946	1,557,500	Moore	1,957,874	962,306	Wayne	2,389,720	1,160,775
Davie	831,553	444,668	Nash	1,830,131	903,597	Wilkes	1,327,736	672,706
Duplin	1,140,042	586,444	New Hanover	4,550,639	2,153,898	Wilson	1,587,589	792,130
Durham	6,239,422	2,930,034	Northampton	378,125	236,280	Yadkin	731,039	398,473
Edgecombe	998,966	521,608	Onslow	3,841,570	1,828,022	Yancey	350,682	223,668
Forsyth	7,419,561	3,472,407						

Source: OSBM; Municipal share is 25% of total allocation (Round One + Round Two)



CARES GASB Accounting Standards - Counties

- CARES Act funds (CRF) should be budgeted and accounted for in a special revenue fund per NCGS 159-26(b)(2).
- GASB issued an exposure draft on June 9, 2020 addressing revenue and reporting questions related to CRF funds. Board should adopt final language on June 30.
- CRF funds are not grants but “other financial assistance” that were allocated based on broad population formulas.
- GASB has determined these funds are “voluntary exchange transactions with an eligibility requirement.”
- The eligibility requirement affects revenue recognition.



CARES GASB Accounting Standards – Counties (cont.)

- Resources received are liabilities until eligible COVID expenditures are incurred. When these eligibility requirements are met, then revenue can be recognized.
- CARES revenues and eligible expenses are not extraordinary or special items.
- In business-type activities and enterprise funds, report revenues as nonoperating revenues.
- Unspent CRF funds at June 30, 2020 should be reported as liabilities in the statement of net position and balance sheet.



Guidance on Use of Funds

- “Substantially Dedicated”
 - If less than 50% dedicated to COVID-19 activities
 - Not eligible for CRF funds
 - If greater than 50% dedicated to COVID-19 activities, then
 - 100% of substantially dedicated employees’ payroll is covered by CRF funds
 - Salary, fringe benefits, overtime and hazard pay
- Counties are responsible for documenting the dedication and duties
- Public Health & Public Safety Administrative Position
 - Administrative position are not presumed to be “substantially dedicated”



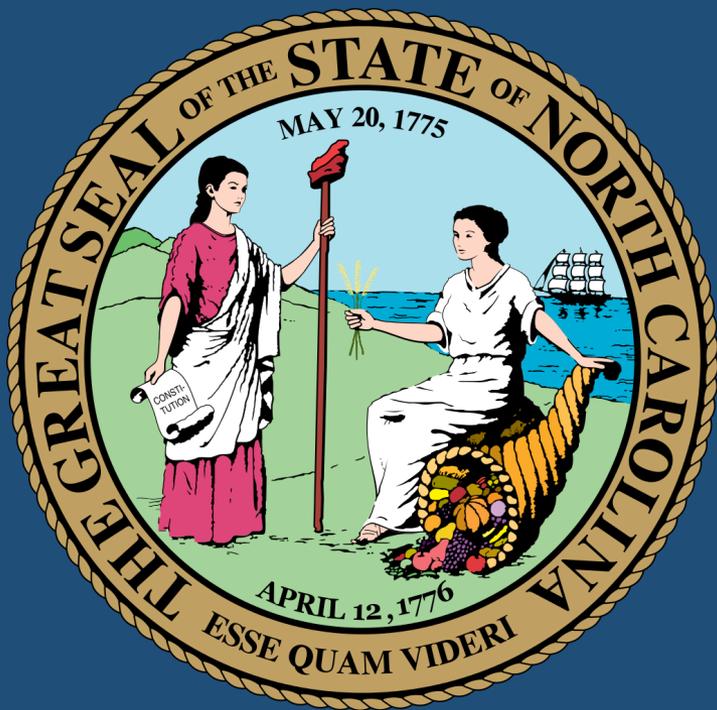
Guidance on Use of Funds

- Administration Costs
 - Federally approved indirect cost allocation is not allowable
 - Must have a direct link to COVID-19
 - Increase over previously budgeted amounts
 - Limited to what is necessary
- Leave Hours
 - Formal Adoption of Family First Coronavirus Relief Act (FFCRA)
 - 80 hrs./employee sick, regular rate
 - 80 hrs./employee quarantine or childcare issues, 2/3 rate
 - 10 wks./employee extend family medical leave, 2/3 rate



Guidance on Use of Funds

- Marketing and Tourism
 - Related to reopening
 - Steps taken to ensure a safe experience
- Grants and Loans
 - Business, nonprofits, individuals
 - Linkage to COVID-19 effects
 - Loans not issued by or repaid after December 30, 2020 must be returned to the State
- Grant vs. Loan
 - Grants do not require payback of funds
 - Loans require unused funds (ex. Interest and Principle)



Reporting Requirements



Upload and Download Links

Do not send information via email; send using the secure link provided in your invitation email

Dear «NAME»,

Please join the NC Pandemic Recovery Office (NCPRO) on Wednesday, June 24, 2020 at 3:00 pm for a presentation on the Coronavirus Relief Funds (CRF) appropriated to the «AGENCY» in NC Session Law 2020-4. This presentation will provide important information on the reporting requirements. It is essential that you join us to understand the reporting process for these funds. Please share this email with anyone within your organization that is responsible for reporting on these funds.

The link to the information session is here:

[CLICK HERE TO JOIN THE MEETING](#)

Also attached to this email is the download and upload link you will use to securely retrieve and send documents to and from the NCPRO office.

Download Link:

[«DownloadLink»](#)

Upload Link:

[«UploadLink»](#)

We ask that you please hold all questions until after the presentation on Wednesday, and we look forward to speaking with you then.

Kind regards,

NCPRO Team
North Carolina Pandemic and Recovery Office
Office of State Budget and Management

NCPRO@osbm.nc.gov

Dobbs Building
430 N. Salisbury Street,
MSC 20320
Raleigh, NC 27699-0320



**MAKE NC
COUNT**
CENSUS 2020

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Send Email to:

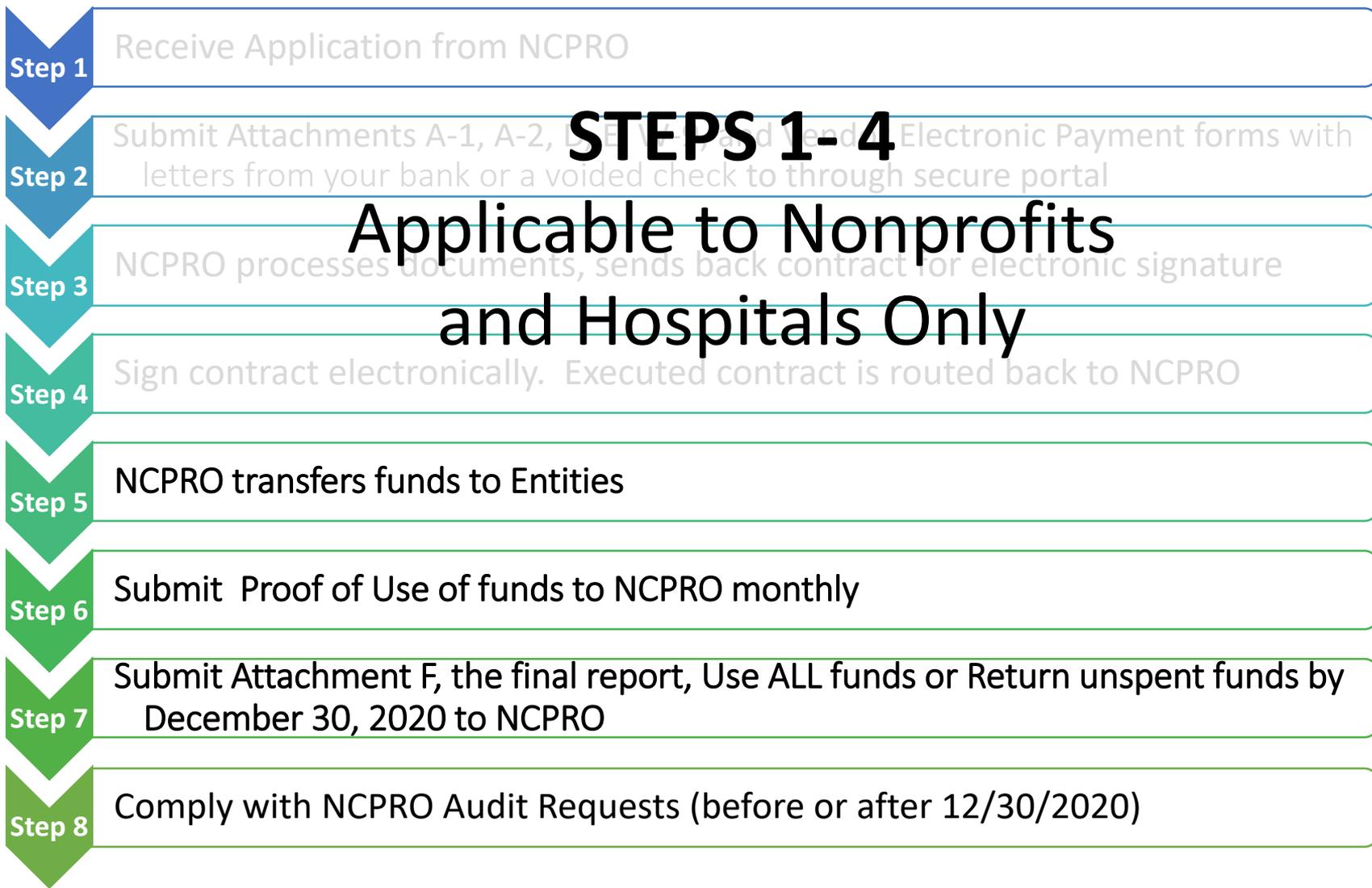
Lisa.Outlaw@osbm.nc.gov

Subject: Need Upload and Download Link

County Name, Municipality, or Other Subrecipient



NCPRO Expenditure Reporting Process



STEPS 1-4
**Applicable to Nonprofits
and Hospitals Only**



Agreement Contract & Attachments

Do not send information via email; send using the secure link provided in your invitation email

NCPRO Documentation

- 1) Agreement Contract
 - 2) Attachment A-1 Scope
 - 3) Attachment A-2 Budget
 - 4) Attachment B 09 NCAC 03M
 - 5) Attachment C-1 Status Report
 - 6) Attachment C-2 Proof of Use of Funds
 - 7) Attachment D No tax delinquencies
 - 8) Attachment E FFATA Requirements
 - 9) Attachment F Outcomes and Accomplishments Report
 - 10) Vendor Electronic Payment Form
 - 11) W-9 NC Form
 - 12) Conflict of Interest
-



Agreement Number

Provided for tracking Purposes

Agreement #	Recipient Name
02-01	Alamance County
02-02	Alexander County
02-03	Alleghany County
02-04	Anson County
02-05	Ashe County
02-06	Avery County
02-07	Beaufort County
02-08	Bertie County
02-09	Bladen County
02-10	Brunswick County
02-11	Buncombe County
02-12	Burke County
02-13	Cabarrus County
02-14	Caldwell County
02-15	Camden County
02-16	Carteret County



Subrecipient vs. Contractor

2 C.F.R. § 200.330 through 200.332 regarding subrecipient monitoring and management

Subrecipient

- (1) Determines Eligibility**
- (2) Performance is measured based on program objectives;**
- (3) Responsible for making decisions about the program;**
- (4) Responsible for complying with program requirements; and**
- (5) Uses the CRF funds to carry out a program for a public purpose.**

vs.

Contractor

- (1) Provides the goods and services within normal business operations;**
- (2) Provides similar goods or services to many different purchasers;**
- (3) Normally operates in a competitive environment;**
- (4) Provides goods or services that are necessary to the primary activities of an organization.**
- (5) Not subject to compliance requirements**



Subrecipient Requirement

2 C.F.R. § 200.330 through 200.332 regarding subrecipient monitoring and management

- Subrecipients must follow the agreement provisions
- Submit Attachments C-1, C-2, and F
- Use assigned agreement numbers to uniquely identify them for tracking purposes.
See examples below:

02-01-01 Entity A Attachment C-2

02-01-02 Entity B Attachment C-2

02-01-03 Entity C Attachment C-2



Attachment C-1

Descriptive Summary of how CRF were used, any deliverables, progress against objectives & expected outcomes

Attachment C-1 Covid-19 Grant Project Status Report

Before it will be possible to make any disbursement, you are required to provide to the Agency the status towards the specific purpose as stated in the grant contract (Attachment A-1). This report is to be completed by the grant recipient and each subrecipient. The grant recipient is to ensure all subrecipients' reports are to be included with cost reimbursement requests. RECIPIENT COMPLETION INFORMATION: Email completed form to: <https://ncosbm.sharefile.com/r-rc7f2ca49d574af2a>

1. Organization

Organization Name	
Contract Agreement Number	
Date	

2. Financial Summary

Total Funding Authorized	Total Funding Received to Date	Balance

3. Performance: Recipient (or subrecipient) shall detail below how the organization has spent the amount of funding allocated for the specific purpose as stated in the grant contract. The description should include activities and progress against the recipient's (or subrecipient's) scope of work and outcomes of that work. Attach additional documents as necessary.

Descriptive summary of how the funds were used, including specific deliverables achieved, and progress against objectives and outcomes expected to be achieved.



Attachment C-2

Monthly report of expenditures for recipients and subrecipients by cost category

Recipient Name or Subrecipient Name	Employee Expenses (e.g. Payroll and benefits cost for employee that are dedicated to COVID-19)	Contracted Labor Expenses	Other Service Expenses (e.g. utilities, telephone, data, lease related expenses)	Subcontract Expenses (e.g. construction, maintenance)	Goods Expenses (e.g. supplies, PPE).	Equipment Expenses	Other Expenses (e.g. related charges not assigned above and described by recipient)
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Date of Invoice, payroll, or service,	Employee Name or Vendor Name or Contractor	Employee ID Number or Invoice Number	Employee Title or Description of Item Purchased	Required Monthly Hours Worked or Total Invoice Amount	Actual Employee Hours Dedicated to COVID or Invoice Quantity or # of Patients Served
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If download from accounting or payroll system, it must be in this format:

Excel Worksheet

.xlsx

or

Comma delimited or tab delimited format

.CSV



Local Government

Monthly report of expenditures for recipients and subrecipients by cost category

North Carolina Department of State Treasurer Financial Information

Statewide

As of 6/30/2019

Note: All data unless otherwise specified is for the 12 month period ending June, 30th of the designated year

				Unit		
				Population		
				Population Group		
				Reported Units in Pop. Grp.		
County Revenues and Expenditures Financial Profile	Revenues by Source	Property Taxes	AFIR			
County Revenues and Expenditures Financial Profile	Revenues by Source	Other Taxes	AFIR			
County Revenues and Expenditures Financial Profile	Revenues by Source	Sales Tax	AFIR			
County Revenues and Expenditures Financial Profile	Revenues by Source	Sales & Services	AFIR			
County Revenues and Expenditures Financial Profile	Revenues by Source	Intergovernmental	AFIR			
County Revenues and Expenditures Financial Profile	Revenues by Source	Debt Proceeds	AFIR			
County Revenues and Expenditures Financial Profile	Revenues by Source	Other Miscellaneous	AFIR			
County Revenues and Expenditures Financial Profile	Revenues by Source	Total	AFIR			
County Revenues and Expenditures Financial Profile	Expenditures by Function	Education	AFIR			
County Revenues and Expenditures Financial Profile	Expenditures by Function	Debt Service	AFIR			
County Revenues and Expenditures Financial Profile	Expenditures by Function	Human Services	AFIR			
County Revenues and Expenditures Financial Profile	Expenditures by Function	General Government	AFIR			
County Revenues and Expenditures Financial Profile	Expenditures by Function	Public Safety	AFIR			
County Revenues and Expenditures Financial Profile	Expenditures by Function	Other	AFIR			
County Revenues and Expenditures Financial Profile	Expenditures by Function	Total	AFIR			
County Revenues and Expenditures Financial Profile	Expenditures by Object	Salaries & Wages	AFIR			



Budget Procedures for COVID-19 Appropriations

Provided for Information Purposes



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT
Employment First State for Individuals with Disabilities

ROY COOPER
GOVERNOR

CHARLES PERUSSE
STATE BUDGET DIRECTOR

May 14, 2020

MEMORANDUM

TO: Department Heads and Chief Fiscal Officers
All State Departments, Institutions and Agencies

FROM: Charles Perusse *Charles Perusse*
State Budget Director

SUBJECT: Budget Procedures for COVID-19 Appropriations

In response to the devastating impacts of the Coronavirus (COVID-19) pandemic, Governor Cooper signed into law [House Bill 1043](#) (Session Law 2020-4) on May 4, 2020. The bill appropriates \$1.43 billion in COVID-19 recovery funding to state agencies, local governments, and non-profits. The General Assembly also passed a companion policy bill, [Senate Bill 704](#) (Session Law 2020-3), during the 2020 Session.

ESTABLISHMENT OF CORONAVIRUS RELIEF FUND

The General Assembly established the Coronavirus Relief Fund to provide relief and assistance from the effects of COVID-19. As directed by statute, the Fund will be maintained as a special fund and administered by the Office of State Budget and Management (OSBM) to carry out the provisions established in Session Law 2020-4. The Fund will also maintain funding for subsequent legislative appropriations. All funds allocated from the Fund must be used for necessary expenditures incurred due to the COVID-19 public health emergency. Only expenditures incurred from March 1, 2020 through December 30, 2020, are eligible for reimbursement from this Fund. Agencies are encouraged to review both bills and become familiar with legislation that effects your specific agency.

BUDGET PROCEDURES

If your agency receives direct funding allocations in House Bill 1043, a non-recurring type-11 budget revision shall be submitted to OSBM for the full authorized amount in legislation in an existing 2XXXX Special Fund Budget Code with a [General Fund GASB designation](#). If your agency does not maintain a Special Fund with a General Fund GASB designation, you should consult with your OSBM budget execution analyst to determine if a budget code needs to be established or if budgeting your COVID-19 allocation within the agency's 1XXXX General Fund Budget Code would be appropriate.

Mailing address:
20320 Mail Service Center
Raleigh, NC 27699-0320

www.osbm.state.nc.us
984-236-0600 ** FAX: 984-236-0630
An EEO/AA Employer

Office location:
4th floor, Dobb Building
430 North Salisbury Street



Monthly Reporting Due Dates

Reports are due by the following dates:

- July 20th
- August 20th
- September 21st
- October 20th
- November 20th
- December 21st
- January 20th



Questions

Questions from the Chat



Questions

Submit Form and Question to:

NCPRO@OSBM.NC.GOV

Documents and Presentation

Located at

<https://ncpro.nc.gov>