



# State Agency and University Distributions of the Coronavirus Relief Fund

Office of State Budget and Management –  
Pandemic Recovery Office

May 29, 2020



## Agenda

- Overview of Laws
- 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, 2020



## Funding Allocation

- Session Law 2020-4, Section 3.3
  - \$320,000,000 - Reserve for Revenue Replacement
  - \$231,648,029 - DPI: LEA, Charter Schools, Blind & Deaf Schools
  - \$169,040,000 - DHHS: local health dept, food banks, LME/MCO, & nonprofits
  - \$150,000,000 - Local Governments
  - \$125,000,000 - Golden LEAF; small business loans
  - \$174,400,000 - Public and Private Universities; Community Colleges
  - \$95,000,000 – Hospitals
  - \$70,000,000 – Other Agencies
  - \$49,300,000 - Nonprofits
  - \$41,600,000 - State Agencies



## Guidance of Use of Funds

- CARES Act Requirements
  - Necessary expenditures incurred due to the public health emergency related to the Coronavirus Disease 2019;
  - Not accounted for in the most recently approved budget, as of March 27, 2020 for the State or government; and
  - Incurred during the period of March 1, 2020 and December 30, 2020.



## Guidance of Use of Funds

- Necessary Expense incurred due to COVID-19
  - Medical Expenses
    - Testing; temporary hospital facilities; emergency medical transportation; telemedicine
  - Public Health Expenses
    - PPE; sanitizing products; disinfecting public areas & facilities; quarantining individuals; contact tracing
  - Payroll Expenses
    - Employees must be substantially dedicated to mitigating or responding to COVID-19
    - Public Safety and Public Health employees are presumed to be substantially dedicated
    - Hazard pay and overtime for substantially dedicated employees



## Guidance of Use of Funds

- Necessary Expense incurred due to COVID-19
  - Action to Facilitate Public Health Measures
    - Food deliver to seniors and vulnerable population; telework expense; sick, FMLA and medical leave; sanitation and social distancing measure in State prison; care for homeless population
  - Expenses associated with the provision of economic support (NOT REVENUE REPLACEMENT)
    - Small business assistance; unemployment; worker compensation
  - Any Other COVID-19-Related Expenses



## Guidance of Use of Funds

- Not accounted for in the most recently approved budget, as of March 27, 2020 for the State or government
  - Only for government, does not apply to non-government organizations





## Guidance of Use of Funds

- Incurred during the period of March 1, 2020 and December 30, 2020.
  - “Incurred” when the responsible party has expended funds to cover the cost.
  - There is no close-out period
  - Encumbrance or obligation is NOT an incurred expense
  - Can not prepay on contracts
  - Unspent funds must be return to the US Treasury



## Guidance of Use of Funds

- Guidance is silent as to
  - Conformance with Uniform Guidance
  - Conformance with the Single Audit Act
- Unallowable
  - NO Revenue replacement
  - NO State Medicaid match
  - NO Payroll for employee not dedicated to COVID-19
  - NO Payroll for furloughed employees or employees that can't work remotely
  - NO Severance or bonus pay
  - NO double dipping



## Guidance of Use of Funds

- State Guidance
  - Must use funds as stated in the Session Law
  - Use FEMA-PA funding first
  - FAQs on the NC PRO website



## Reporting Requirements

- **Must Report Use of Funds**
  - Agencies must submit reports to NC PRO
  - At a minimum reports are due quarterly
    - October 10, 2020 and January 10, 2021
  - Report will include
    - Use of funds
    - Unspent amounts
    - Must include all subrecipients use of funds
- NC PRO will provide a form



## Questions

**Submit Form and Question to:**

**[NCPRO@OSBM.NC.GOV](mailto:NCPRO@OSBM.NC.GOV)**

**Documents and Presentation**

**Located at**

**<https://ncpro.nc.gov>**