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Coronavirus Relief Fund (CRF) Local Government Assistance Program



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Guidance & Frequently Asked Questions

Funding Period:
March 1, 2020 – December 30, 2020

NOTE: As U.S. Department of the Treasury issues future guidance and clarifications, the specific guidelines listed in this document are subject to change. Changes will be addendums to this document in the Frequently Asked Questions section.

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The purpose of this document is to provide guidance to local governments receiving Coronavirus Relief Funding through the Ohio Office of Budget and Management (OBM) as a result of legislation from the Ohio General Assembly and the Ohio Controlling Board allocating federal funding.

Funding Information

Funds were awarded to the State of Ohio as Federal Financial Assistance from the U.S. Department of Treasury. Funds were awarded under the Social Security Act, as amended by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) as the Coronavirus Relief Fund (CRF).

Federal Assistance Information

The U.S. Department of Treasury did not provide a notice of award to the State of Ohio, thus a Federal Award Identification Number (FAIN) for each of the two payments to the state was found on USASpending.gov to be SLT0018 and SKT0234. The federal award date is presumed to be the date of enactment of the CARES Act, March 27, 2020.

Funds are considered federal financial assistance and have been assigned a Catalog of Federal Domestic Assistance (CFDA) or Assistance Listing Number of 21.019. Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

Performance Period

The U.S. Department of Treasury has determined that CRF funds may only cover costs **incurred** between **March 1, 2020 and December 30, 2020**. House Bill (HB) 481, amended by HB 614, dictates the following timelines in use of funds:

- County auditor shall distribute returned funds on or before **November 25, 2020**; and
- The balance of unexpended funds remaining must be returned to the state treasury not later than **February 1, 2021**.

The time period between December 30, 2020 and February 1, 2021 may only be used as a liquidation or account reconciliation period. This period is strictly to finalize payments for performance and delivery of goods and/or services that occurred prior to December 30, 2020 and/or make accounting adjustments for eligible activity that was paid prior to December 30, 2020.

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Eligibility

When determining eligibility to distribute CRF funds it received, a local jurisdiction should evaluate all proposed expenditures based on guidance contained within the U.S. Department of Treasury Guidance and Coronavirus Relief Fund Frequently Asked Questions which can be found at <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>. This guidance document calls out some specific eligibility areas and related Frequently Asked Questions provide information about specific uses, but the examples are not all-inclusive. The U.S. Treasury Office of Inspector General has also published guidance on reporting and recordkeeping which can be found at <https://www.treasury.gov/about/organizational-structure/ig/Pages/CARES-Act-Reporting-and-Record-Keeping-Information.aspx>.

If a jurisdiction has any questions regarding the eligibility of a cost, please contact the Ohio Grants Partnership via e-mail at grants@obm.ohio.gov. OBM cannot make determinations about the expenditures that an individual jurisdiction may deem necessary to respond to COVID-19, the Grants Partnership team will provide guidance regarding eligibility.

General Eligibility Information

The CARES Act requires that the payments from the CRF only be used to cover expenses that -

- (1) are **necessary** expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- (2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the government; and
- (3) were **incurred during the period that begins on March 1, 2020 and ends on December 30, 2020**.

While the CRF distributions are not required to be the funding of last resort, the expenditures cannot be used in multiple programs or be reimbursed by other funds. Expenditures necessary to take direct action in response to the COVID-19 public health emergency are allowable. The basic eligibility requirement is “a cost is either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget (recently approved as of March 27, 2020) OR (b) the cost is for a **substantially different use** from any expected use of funds in such a line item, allotment, or allocation.” Expenditures are required to be related to current COVID-19 needs and not in preparation of or stock piling for future emergencies.

Permissible Use of Funds

The following list of specific permissible uses is not intended to be comprehensive:

Medical Expenses

- COVID-19-related expenses of public hospitals, clinics, and similar facilities.

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- Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
 - Costs of providing COVID-19 testing, including serological testing.
 - Emergency medical response expenses related to COVID-19, including emergency medical transportation.
 - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
 - Personal Protective Equipment to address the current COVID-19 pandemic.

Public Health and Related Measures

- Expenses for communication and enforcement by governments for public health orders related to COVID-19.
- Expenses for acquisition, distribution, and disposal of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
- Expenses for disinfection of public areas and other facilities, e.g., nursing homes, government facilities, parks, etc., in response to the COVID-19 public health emergency.
- Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
- Expenses for public safety measures undertaken in response to COVID-19.
- Expenses for quarantining individuals.
- Expenses associated with COVID-19 contact tracing.
- Food delivery to vulnerable populations to enable compliance with COVID-19 public health precautions.
- Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
- Expenses of providing paid sick and paid family and medical leave to public employees who are infected/directly impacted to enable compliance with COVID-19 public health precautions. Full costs are eligible despite leave being in previously approved budget.
- COVID-19-related expenses of maintaining correctional facilities and jails, including as related to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
- Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.

Personnel (updated October 1, 2020)

Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the

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COVID-19 public health emergency are allowable. The U.S. Treasury has indicated that the full amount of payroll and benefits for substantially dedicated employees may be covered using the funds. In addition, the U.S. Treasury has not defined what “substantially dedicated” means and requires each jurisdiction to maintain documentation of the “substantially dedicated” conclusion with respect to employees. For our state-level purposes, we are sharing that OBM generally defines a benchmark for identifying substantial dedication to be a contribution of 50% or more of time. Jurisdictions are welcome to follow this benchmark or not; it is up to each jurisdiction to define its own thresholds of substantial dedication and to document the justification for that decision.

Public safety and public health personnel are “presumed” for administrative convenience to be substantially dedicated unless the chief executive determines that specific circumstances indicate otherwise. Treasury has provided an administrative accommodation for “presumed” public safety and public health employees indicating these employees which meet the substantially dedicated test are considered substantially different use, thus allowing for previously budgeted personnel to be eligible to be charged to the CRF. The U.S. Treasury defined the “presumed” public safety and public health positions that are eligible for the accommodation as follows:

- Public Safety positions include:
 - Police officers, sheriffs, and deputy sheriffs; firefighters; emergency medical responders; correctional and detention officers; and those who directly support such employees such as dispatchers and supervisory personnel.
- Public Health positions include:
 - Employees involved in providing medical and other health services to patients and supervisory personnel, including medical staff assigned to schools, prisons, and other such institutions, and other support services essential for patient care (e.g. laboratory technicians) as well as employees of public health departments directly engaged in matters related to public health and related supervisory personnel.

Public safety, public health, health care, human services, and similar employees that are not substantially dedicated but have some time dedicated to mitigating or responding to COVID-19 may allocate specific time spent to the funds as tracked. Health care, human services, and similar employees who are substantially dedicated to mitigating or responding to the public health emergency are not granted a presumption by the U.S. Treasury. These employees can qualify for 100% of their payroll but are required to have documentation such as timesheets demonstrating substantial dedication through activities related to specifically to the response or mitigation of COVID-19. In addition, personnel that that were diverted to a **substantially different use** due entirely to the COVID-19 public health emergency and are supporting the response to COVID-19 are allowable. This could mean the repurpose of positions who would

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have been furloughed or laid off (in other words were underutilized due to COVID-19) to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

This payroll topic continues to be clarified by officials from the U.S. Department of Treasury and the U.S. Department of Treasury Office of Inspector General. Future federal guidance may continue to clarify these requirements. OBM continues to recommend jurisdictions maintain detailed documentation about decisions to use the CRF for employee payroll.

Equipment

- Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
- Equipment and lease costs if previously unbudgeted and consistent with other criteria.

Economic Support

- Small business assistance related to required and/or voluntary closures and the expenditures related to providing these programs.
- Increased workers compensation related to expanded coverage due to COVID-19.
- Unemployment insurance costs incurred by the Recipient as an employer.
- Financial assistance to individuals and families directly impacted by a loss of income due to COVID-19
 - Could include payment of overdue rent and mortgage to avoid eviction or foreclosure, unforeseen costs for funerals, or other emergency individual needs.

Prohibited Use of Funds

- Revenue replacement/forgone revenue including unpaid property taxes and utility fees.
- Expenses covered by business interruption insurance or reimbursed through other federal aid received in response to COVID-19.
- Expenses that have been or will be reimbursed under any other federal program.
- Any costs, including indirect, administrative, and payroll, that were already in the most recently approved budget as of March 27th.
- Personnel expenses for employees whose work duties are not substantially dedicated to mitigating or responding to COVID-19.
- Personnel costs of private employees paid directly (grants or loans to private employers may be allowed to cover this).
- Workforce bonuses, this prohibition does not include hazard pay or overtime.
- Severance Pay.
- Medicaid Match.

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- Property tax assistance, some exceptions may be made if assistance is provided to individuals who have been economically impacted by COVID-19 to prevent foreclosures.
 - Prepayments on contracts related to COVID-19, unless this is part of the normal policies and procedures.
 - Damages covered by insurances.
 - Reimbursement to donors for donated items or services.
 - Legal settlements.

Reporting (updated October 1, 2020)

OBM will require reporting in the OBM grants portal. The grants contact listed on the registration will be provided a log-in to access and complete the financial status reports. OBM is requiring two interim financial status reports and a final close-out financial status report.

- The first interim report is due October 20, 2020 for activity through September 30, 2020.
- The second interim report is due January 6, 2021 for activity from October 1, 2020 through December 31, 2020. Any unobligated funds reported on this report must be returned to OBM no later than February 1, 2021.
- A final close-out report is due February 10, 2021 to report final liquidation activities that occurred from January 1, 2021 to January 31, 2021. Any cash on hand reported on this report must be returned to OBM no later than February 1, 2021.

Responsibilities, Records, & Future Audits

The U.S. Treasury has limited compliance to the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, § 200.330 through § 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements. Effective internal controls must be established and maintained (2 C.F.R. § 200.303). Every CRF dollar should be accounted for with supporting documentation. Jurisdictions should maintain documentation evidencing that the funds were expended in accordance with federal, state, and local regulations.

The CRF is subject to future audits to ensure appropriate use with ultimate recoupment by the U.S. Treasury. Records must be made available to OBM, the Ohio Auditor of State, Independent Public Auditors that perform audits on behalf of Ohio Auditor of State, the federal government, and/or other oversight entities for audit or review. While these funds are considered payments, they are also subject to and count towards the threshold of the Single Audit Act (31 U.S.C. § 7501-7507).

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Frequently Asked Questions

NOTE: In the event of a conflict between this document and state law, federal law, or U.S. Treasury guidance, the state and federal laws and guidance supersede this document. This document will be updated if the U.S. Treasury provides future clarifications.

Does this guidance apply to Coronavirus Relief Funding that jurisdictions with populations over 500,000 received via direct disbursements from the U.S. Department of the Treasury (Cuyahoga, Franklin, Hamilton, Montgomery, and Summit Counties and the City of Columbus)? (Updated July 16, 2020)

No, it does not. The following information is provided as guidance and FAQs regarding payments received through the state of Ohio as a result of Ohio HB 481. Jurisdictions that received direct payments may find the information helpful for review. All jurisdictions are encouraged to also review information regarding the Coronavirus Relief Fund provided by U.S. Treasury at <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>.

The registration form requires a project description, what do I need to put there?

This can be a basic description and can be as simple as “costs incurred by [insert local government] as a result of the COVID-19 public health emergency.” OBM recognizes many jurisdictions have not determined specifically how funds will be utilized at the time of registration.

What is the difference between the Authorized Representative and the Grant Contact?

OBM is collecting information from jurisdictions receiving funds to allow for future administration and monitoring. The Authorized Representative is the main executive within the jurisdiction that can authorize acceptance of the funds on behalf of the jurisdiction. The grant contact will be the main person OBM will reach out to for monitoring, obtaining resolutions, or other questions regarding the funds. This contact will be responsible for completing the reporting in the OBM grants portal on behalf of the jurisdiction. Jurisdictions can enter the same person for both contacts if applicable.

Are all jurisdictions required to register on OBM’s grants site?

Yes, OBM requires jurisdictions to register on the OBM website at <https://grants.ohio.gov/fundingopportunities.aspx>. After the registration is approved, the grant contact will receive an e-mail confirmation and a temporary log-in to the OBM grants portal. Grant contacts will access the portal to complete the required interim and final financial reporting.

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Does my local government need to register or provide additional documentation to receive the second funding disbursement approved by the Controlling Board or the third funding disbursement authorized by HB 614? (updated October 1, 2020)

No, OBM does not require another registration for these rounds of funding.

How do I access the OBM grants portal after receiving a log-in? (updated August 28, 2020)

The grants portal can be accessed at <https://grantsportal.ohio.gov>. Jurisdictions will be required to complete their reporting requirements within the portal. Additional details to include a job aid will be sent out in September to the Grants Contact registered with OBM.

When will the financial status reports be due to OBM? (updated October 1, 2020)

- OBM is requiring two interim and a final financial status report. The first interim report is due October 20, 2020 for activity through September 30, 2020.
- The second interim report is due January 6, 2021 for activity from October 1, 2020 through December 31, 2020. Any unobligated funds reported on this report must be returned to OBM no later than February 1, 2021.
- A final close-out report is due February 10, 2021 to report final liquidation activities that occurred from January 1, 2021 to January 31, 2021. Any cash on hand reported on this report must be returned to OBM no later than February 1, 2021.

What will be required to be reported as part of the financial status reports due to OBM? (added August 28, 2020)

The U.S. Treasury released guidance on July 31 which provided 18 categories which will be required for OBM to report back on spending. The Treasury requires OBM to report spending by each subrecipient in the following categories:

- A) Administrative Expenses
- B) Budgeted Personnel and Services Diverted to a Substantially Different Use
- C) COVID-19 Testing and Contact Tracing
- D) Economic Support (Other than Small Business, Housing, and Food Assistance)
- E) Expenses Associated with the Issuance of Tax Anticipation Notes
- F) Facilitating Distance Learning
- G) Food Programs
- H) Housing Support
- I) Improve Telework Capabilities of Public Employees
- J) Medical Expenses
- K) Nursing Home Assistance
- L) Payroll for Public Health and Safety Employees
- M) Personal Protective Equipment
- N) Public Health Expenses

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- O) Small Business Assistance
- P) Unemployment Benefits
- Q) Workers' Compensation
- R) Items Not Listed Above

In addition to spending, OBM will be asking for the total of funds received, encumbrances, interest earned, and a brief description of activities on the expenditures reported.

Is a jurisdiction required to pass a resolution stating that they do not want funding if they do not wish to receive the funds? In this case, do the funds remain in the County treasury until the October redistribution mandated under the legislation or can the share be added back into the county-wide pool and reallocated over the remaining taxing districts? (updated October 1, 2020)

HB 481 was amended by HB 614 for the redistribution to occur in November. Neither HB 481 nor HB 614 contemplates an ability to redistribute across jurisdictions prior to the redistribution period which is now in November. It does indicate the legislative authority must adopt the resolution or ordinance, or the subdivision's share of the money shall remain in the County's fund. Therefore, a jurisdiction may elect to not participate and not adopt a resolution. In such cases, the funds would remain in the county treasury and would be redistributed in November.

HB 481 and HB 614 state that counties must disburse funds to cities, villages, and townships within seven days of receiving funds from the state, but also requires each local jurisdiction to pass a resolution/ordinance accepting the funding and the provisions of the CARES Act. If a county receives a local subdivision's resolution on day 8, or 10, or 30, can the county disburse the funding to the local government? (updated October 1, 2020)

Yes. If a local subdivision submits a resolution/ordinance to the county more than seven days after the county has received the disbursement of Coronavirus Relief Funds from the state and prior to November 20, the county can disburse the funds to the subdivision. In such cases, counties should disburse the funding to the subdivision within seven days of receiving the resolution/ordinance.

Is a County required to hold funds until all jurisdictions approve resolutions? (updated October 1, 2020)

HB 481 and HB 614 require a local jurisdiction to submit a resolution or ordinance to the County Auditor and to OBM. A County is required to not disburse to a jurisdiction until a resolution or ordinance is approved and submitted. A County can distribute to all jurisdictions that met the requirements as soon as they receive the funds from OBM and should not wait until all jurisdictions comply. Only one resolution or ordinance is required, thus if completed under HB 481 then no further action is necessary by the jurisdiction.

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How does a County Auditor report back to OBM the distribution of funds? (updated October 1, 2020)

HB 481 and HB 614 require the County Auditor to report back to OBM the distribution of funds to eligible jurisdictions. OBM has created a template that should be completed and sent back via e-mail to grants@obm.ohio.gov. An updated template is now available on the grants website at <https://grants.ohio.gov/fundingopportunities.aspx#funding-opportunities-coronavirus-relief> to allow for reporting of the second and third distributions on the same template with the first distribution. County Auditors are required to return this initial distribution reporting to OBM no later than October 30, 2020. Another template will be available on the grants website in late October to input November re-distribution amounts which should be returned to OBM no later than December 1, 2020.

Where should the resolution or ordinance required by HB 481 be sent?

A jurisdiction is required to send their resolution/ordinance to their County Auditor and to OBM. OBM is accepting electronic copies to the Ohio Grants Partnership e-mail box at grants@obm.ohio.gov.

Should my local government setup a separate fund to account for the CARES Act Coronavirus Relief Fund (CRF) distributions? (updated October 1, 2020)

Yes, local governments will need a separate Special Revenue Fund to separately track the receipt and expenditure activity of the CRF distributed to them. Since this is a new federal program with a restricted purpose, local governments have authority under Ohio Revised Code Section 5705.09 to establish the new fund, without seeking Auditor of State (AOS) approval (see AOS FAQs at: https://www.ohioauditor.gov/resources/covid19/Coronavirus_new_FAQ_final.pdf).

On August 24, 2020, the Controlling Board approved a second round of Coronavirus Relief Funding for local governments. How will these funds be distributed and administered? (added August 28, 2020)

The Ohio Office of Budget and Management received appropriation authority from the State of Ohio Controlling Board on Monday August 24, 2020 to distribute \$175 million in Coronavirus Relief Funding. This additional \$175 million was distributed and will be administered following the provisions of Section 27 of HB 481. The funding was distributed on August 28. The additional funding should be distributed from the county's coronavirus relief distribution fund to counties, municipalities, and townships who have adopted a resolution or ordinance in accordance with HB 481 affirming that the subdivision will spend funds only on pandemic-related expenses as required under the CARES Act. Subdivisions shall deposit the additional funds received as a result of the Controlling Board action to local coronavirus relief funds established in accordance with HB 481 and shall use funds in accordance with the provisions of HB 481.

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Is the second round of funding subject to the November redistribution? (updated October 1, 2020)

Yes, Local coronavirus relief funds, including funds received as a result of the Controlling Board action, that remain unencumbered and unspent as of November 20, 2020, will be redistributed to local governments that have spent their full allocation in accordance with the provisions of and distribution methodology adopted in HB 481 and HB 614. Subdivisions are further required to return unspent Coronavirus Relief Funds to the state by February 1, 2021.

Should my local government setup a separate fund to account for the second allocation of funding approved by the Ohio Controlling Board on August 24, 2020 and the third allocation of funding from HB 614? (updated October 1, 2020)

Local governments may place all of these funds into the same fund established for the management of distribution pursuant to the first allocation from HB 481.

Should my local government set up a separate fund to account for CARES Act Coronavirus Relief Fund (CRF) subawards/loans received from the City of Columbus, Cuyahoga County, Franklin County, Hamilton County, Montgomery County, or Summit County?

These six local governments are direct recipients of CRF assistance from the U.S. Department of Treasury. Under the authority of the CARES Act and guidelines published by Treasury, these six local governments can make subgrants/loans to public or private entities within their jurisdictions so long as they are consistent with the requirements established by the CARES Act and Treasury.

In addition to subawards they may receive from the six prime recipients, local governments within these jurisdictions will receive an allocation of CRF from the State of Ohio pursuant to HB 481. Where this is the case, local governments should take care to establish separate Special Revenue Funds for each CRF award.

In addition to the CARES Act CRF Fund, should my local government setup a separate fund to account for other CARES Act and federal COVID-19 financial assistance?

Local governments should refer to the terms and conditions of their federal award. Generally, federal programs with new or expanded COVID-19 assistance require separate accountability and local governments will need to establish either a Special Revenue Fund (for a new program) or a subfund/special cost center (for expanded assistance within an existing federal program) to separately track the receipt and expenditure activity of the COVID-19 funding.

Are these funds allowed to be used as cost-share or match to other federal grant programs? (updated June 29, 2020)

On June 24, 2020, the U.S. Department of Treasury updated their Frequently Asked Questions to allow for the use of funds to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19 related costs that

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otherwise satisfy the CRF eligibility requirements and the Stafford Act. The ability to use funds to match any other grant programs is prohibited.

What does the prohibition, or limitation against using CRF Funds for costs already in an approved budget prior to March 27 mean? Does this mean I am unable to be reimbursed if I already incurred the costs with budgeted funds?

A cost is allowable 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. A jurisdiction may have incurred costs prior to the receipt of CRF funds in response to COVID-19 utilizing budgeted resources that were previously budgeted for another purpose. Thus, necessitating a reimbursement – and that is allowable.

This may be best explained by considering the following hypothetical example: If the jurisdiction's most recently approved budget prior to March 27, 2020 had a provision to allocate \$10,000 for personal protective equipment (PPE) to address COVID-19. The jurisdiction must use their funds to purchase \$10,000 of PPE and any amounts spent over \$10,000 for PPE can be covered by CRF monies.

What is "the most recently approved" budget and how do adjustment, amendment or supplemental appropriations effect the use of CRF funds?

The "most recently approved" budget refers to the enacted budget for the relevant fiscal period for your jurisdiction, which includes subsequent supplemental appropriations or other budgetary adjustments, or amendments made in response to COVID-19 that were approved prior to March 27, 2020. Temporary appropriation measures allowable by Ohio law that were passed prior to March 27, 2020 are considered an approved budget.

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.

Can payroll expenses, which are already budgeted, be funded by CRF funds? (updated October 1, 2020)

CRF money can be used for payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to COVID-19 public health emergency. Further, personnel that were diverted to a substantially different use due entirely to the COVID-19 public health emergency and are substantially dedicated to mitigating or responding to COVID-19 are allowable expenses.

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What constitutes "substantially dedicated" for payroll expenses of which employees can be funded with CRF funds? (Updated July 16, 2020)

Each local government must define its own thresholds of substantial dedication and maintain clear documentation of the justification for that decision.

Can payroll and benefits of a substantially dedicated employee be covered? (added October 1, 2020)

Yes, payroll and benefit costs incurred between March 1 and December 30, 2020 may be covered using CRF. Covered benefits include, but are not limited to, the costs of all types of leave (vacation, family-related sick, military, bereavement sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (federal and state), workers compensation insurance, and Federal Insurance Contributions Act (FICA) taxes (which include Social Security and Medicare taxes).

Must jurisdictions 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?" (updated October 1, 2020)

See Personnel section under Permissible Use of Funds section. OBM continues to recommend the local government Chief Executive Official declare a proclamation in some manner and document the individuals or job positions with the specific duties that meet the substantially dedicated criteria. The U.S. Treasury Office of Inspector General has indicated that payroll, time, and human resource records must be maintained that support payroll costs charged to the CRF.[See OIG-CA-20-028, FAQ #70 dated September 21, 2020 at <https://www.treasury.gov/about/organizational-structure/ig/Pages/CARES-Act-Reporting-and-Record-Keeping-Information.aspx>].

For personnel that were diverted to a substantially different use due entirely to the COVID-19 public health emergency to mitigating or responding to COVID-19 there must be some supporting documentation or evidence which corroborates the substantially different use and the time charged. Time sheets may be useful documentation for audit purposes.

Please be familiar with the Ohio Auditor of State's FAQ related to payroll costs and be aware the U.S. Treasury may continue to clarify the payroll expense requirements in the future.

Are overtime costs for public employees allowable? (added October 29, 2020)

Payments from the fund may only be used to cover costs that— 1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); 2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and 3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

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Overtime costs must meet all three cost requirements. In addition, overtime costs that are covered by another federal program, included for cost recovery in a cost pool or indirect cost rate pool, or are planned to be charged to another program are not allowed. Unless the overtime costs are related to substantially dedicated public safety and public health employees under the U.S. Treasury administrative accommodation, any overtime charged to the fund must be supported by detailed documentation and time reporting for each employee to support the activities and time related to performance of those activities specifically related to the public health emergency. It is also necessary that budget documentation supports that overtime costs charged were not previously budgeted. Jurisdictions charging overtime costs should be prepared to provide justification as to how the costs were viewed as necessary and were the direct result of the public health emergency. It is recommended overtime costs are applied to funds near or at the time the overtime is paid, recognizing it may be necessary to capture after-the-fact costs already paid by another non-federal source. Eligible overtime costs that were initially planned to be funded with a cost pool may not be removed from the pool and recoded if the costs have already been submitted as part of the cost pool for federal or state reporting purposes. For example, overtime charged to a cost pool in March through September cannot be charged to the fund after-the-fact in October as those funds have already been reported.

**When can CRF funds be used to cover payroll expenses of employees on leave?
(Updated July 16, 2020)**

CRF money may be used for leave required in the Families First Coronavirus Response Act (FFCRA). The jurisdiction must ensure that the leave was taken for reasons outlined in FFCRA. Regardless of what your government calls the leave - bonus leave, emergency leave, etc. - the leave is reimbursable if used for FFCRA leave. OBM suggests structuring leave under the FFCRA leave types and making sure that employees are properly recording time. Budget amendments and changes to your government's budget do not affect the ability to reimburse these expenses.

Fund payments may also be used to cover increased administrative leave costs of public employees who could not telework in the event of a stay at home order or a case of COVID-19 in the workplace. The statute requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. If the cost of an employee was allocated to administrative leave to a greater extent than was expected, the cost of such administrative leave may be covered using payments from the Fund. A jurisdiction must document administrative leave was used, the leave was beyond amounts budgeted, and the circumstance for the leave to include the inability for the employee to telework and an active stay at home order or case of COVID-19 in the workplace.

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

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Hazard pay is an allowable expense; however, please note that the U.S. Treasury guidance has limited allowable hazard pay to those employees who are performing hazardous duty work directly responding to COVID-19. The local government must determine the rate of hazard pay to be provided and the rate should be set forth in a policy. Hazard pay cannot be across the board to all employees and must relate to COVID-19. Hazard pay is a form of payroll expense and so CRF payments may only be used to cover hazard pay for individuals that meet the other requirements for eligible CRF payroll expenses.

Can my jurisdiction use a portion of its distribution to set up a grant program, including programs to non-profits that serve homeless, hungry, mental health or other impacted groups?

Yes, a local jurisdiction may establish and administer a grant program if the grants are directly related to remediating or responding to COVID-19 and meet the requirements for eligibility in the U.S. Department of Treasury guidance. Keep in mind the Uniform Guidance, 2 CFR 200.330 through 200.332 regarding subrecipient monitoring and management, are applicable.

Can my jurisdiction provide funds to another governmental entity such as a health department, fire district, school district, etc.? (updated October 1, 2020)

Yes, provided the funds are to be used as a necessary expenditure due to the public health emergency and meet the eligibility criteria as outlined in this guidance document and the U.S. Treasury guidance. Revenue replacement or losses in revenue are not eligible. Jurisdictions should evaluate and document the relationship when providing funds to determine if a contractor or subrecipient relationship exists. Jurisdictions can find a checklist for use to make this determination and document at <https://www.agacgfm.org/Intergov/More-Tools/Subrecipient-vs-Contractor-Checklist.aspx>. Keep in mind the Uniform Guidance, 2 CFR 200.330 through 200.332 regarding subrecipient monitoring and management, are applicable. OBM has created a guide for subgranting that provides some basics for getting started. That can be found at <https://grants.ohio.gov/fundingopportunities.aspx#funding-opportunities-coronavirus-relief>.

Can a jurisdiction provide a subgrant to a non-governmental entity? (updated October 1, 2020)

A jurisdiction may find it necessary to subgrant funds to a non-governmental entity to run programs or support activities deemed necessary by the jurisdiction. A subgrant must meet the requirements of the U.S. Treasury guidance as necessary due to COVID-19, was not accounted for in the budget most recently approved as of March 27, 2020, and supports costs incurred during the covered period of March 1 to December 30, 2020. Jurisdictions should keep in mind the Uniform Guidance, 2 CFR 200.330 through 200.332 regarding subrecipient monitoring and management, are applicable. OBM has created a guide for subgranting that provides some basics for getting started. That can be found at <https://grants.ohio.gov/fundingopportunities.aspx#funding-opportunities-coronavirus-relief>.

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Are non-profits eligible for economic support? (added August 28, 2020)

Yes, not-for-profit corporations could be provided relief for business interruptions and/or for direct cost of responding to the COVID-19 pandemic if a local government deems the expenditures to be necessary in response to the public health emergency, in the same manner as a local government may provide assistance to a for-profit business.

Are there tax considerations to funds provided to businesses and non-profits? (added August 28, 2020)

Jurisdictions should review the frequently asked questions published by the IRS at <https://www.irs.gov/newsroom/cares-act-coronavirus-relief-fund-frequently-asked-questions>.

Can I dispose of assets purchased with CRF funds?

If assets are disposed of prior to December 30, 2020, then the proceeds are subject to the restrictions on eligible use of payments from the Fund.

What happens if there is interest earned on CRF funds?

Funds are not subject to the Cash Management Improvement Act of 1990. Interest funds earned must be placed back into the program and used in a manner consistent with the U.S. Department of Treasury guidance on eligible costs within the performance period.

How should interest earnings be handled if the interest is pooled with other funds? (added October 1, 2020)

Interest should be allocated back to the Coronavirus Relief Fund based on a standard, consistent methodology such as use of an average daily cash balance by fund. Counties must allocate interest back to the Coronavirus Relief Distribution Fund should it be due interest based on a cash balance and include earnings in future redistributed amounts.

Under FEMA, there are equipment use rates to determine cost. Is there something comparable under this funding?

There are no schedules for equipment time.

Are in-kind costs such as donated time allowable to be reimbursed using a standard labor rate?

No, only actual costs incurred are allowable.

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 monies can be used to reimburse expenses already incurred dating back to March 1, 2020 assuming the expense meets the other requirements for use of the Coronavirus Relief Fund. Per U.S. Treasury Guidance, costs must have been incurred on or after March 1, 2020.

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Treasury guidance defines “incurred” as being “when the responsible unit of government has expended funds to cover the cost.” Thus, if a jurisdiction 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 CRF funds be used to pay for expenses in preparation for a future COVID-19 outbreak or for pandemic public health measures for a future pandemic or disaster?

CRF funds may be used only for expenditures necessary to address the current COVID-19 public health emergency. CRF funds cannot be used to prepare for or stockpile excess supplies for possible use related to future disasters. However, it may be necessary to create a reserve of eligible items to address areas that are likely to be impacted by the current COVID-19 pandemic.

When is a cost incurred? (updated October 1, 2020)

A cost is incurred when the responsible party has expended funds to cover the cost. The U.S. Treasury updated their guidance document on June 30 to further extend the definition of an incurred cost to include the performance or delivery, as well as a need for receipt, during the “covered period” (March 1, 2020 to December 30, 2020). This guidance applies in a like manner to subawards to municipalities or businesses. HB 614 directs the return of unencumbered funds to the county treasurer on November 20, 2020 and the balance of unspent funds to the state treasury no later than February 1, 2021.

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.

If the funds are encumbered, would they be considered spent? (Updated July 16, 2020)

No, an encumbrance is an obligation, but funds are not considered spent. However, an encumbrance may mean a cost is incurred. See the question above regarding when a cost is incurred.

How do I handle encumbering obligations for items like payroll and direct charges that are not legally required to be encumbered and the accounting system will not permit the ability to open a PO for these types of direct charges? (added October 1, 2020)

Encumbrances should follow the normal purchase order process (which may include, issuance of regular purchase orders, Then and Now Certifications, Blanket POs and Super Blanket POs). Direct charges (e.g., payroll) are not normally required to be “encumbered” in the accounting system; however, in light of the language in HB 481 and HB 614, and the latest federal guidance on the use of these funds, entities should consider encumbering **eligible** direct charges in their accounting system for the CRF when possible. Under R.C. 131.01 of the

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Revised Code an “encumbering document” is defined as a document reserving all or part of an appropriation. If the accounting system does not permit establishment of a PO/encumbrance for a direct charge, entities should consult with their legal counsel and consider whether having the governing board pass an ordinance or resolution to effectively encumber such charges is a viable option to legally encumber CRF direct charges. The resolution/ordinance should include information that would normally be included in a PO and maintained in the same manner as all other CRF reporting documents.

What does a subdivision located in more than one county do to return unencumbered funds on November 20, 2020? (Added November 20, 2020)

If a subdivision is located in more than one county, it must return the unencumbered funds to multiple counties apportioned and returned according to the cumulative amount of money the subdivision received from each county.

What makes a subdivision eligible to receive redistributed funds? (Added November 20, 2020)

A subdivision is eligible to receive redistributed amounts if all the following are met:

- All funds previously received were encumbered by November 20;
- The subdivision adopted the required resolution or ordinance to initially receive the funds; and
- The subdivision did not receive a “direct payment” from the Federal Government under Section 5001 of the CARES Act.

If a County Auditor has funds undistributed as part of the redistribution process, how should those funds be handled? (Added November 20, 2020)

Any funds that are unable to be allocated based on the redistribution process must be returned to the Office of Budget and Management on or shortly after the November 25, 2020 redistribution. Returns can be made via check payable to the Treasurer of the State of Ohio and mailed to:

Ohio Office of Budget and Management
ATTN: Fiscal Section
30 E. Broad St., 34th Floor
Columbus, OH 43215

What is permitted between the performance period end of December 30, 2020 and the final date of February 1, 2021? (Added November 20, 2020)

During that period, subdivisions can pay for expenses that were incurred prior to December 30, but that were not yet invoiced. The CARES Act only authorizes expenses incurred until December 30, 2020. During the period from December 30, 2020 to February 1, 2021,

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subdivisions are permitted to hold open their local coronavirus relief funds for accounting purposes only and not to incur additional expenses.

Will receiving CRF funds impact or limit the amount of FEMA Category B reimbursement that my jurisdiction is eligible for?

Unlike CRF funding, which was appropriated in specific total dollar amounts, the total dollar amounts of FEMA Category B reimbursement that an applicant may receive is not capped at an overall dollar amount. If a local government exhausts its CRF funds and still has COVID-19 expenses that are eligible for FEMA Category B reimbursement, it may still apply to FEMA for reimbursement of those funds. It is important to avoid duplication of benefits. Expenses paid for with CRF funds cannot also be reimbursed by FEMA, and vice versa. Jurisdictions should carefully track both their COVID-19 expenses along with all sources of federal funds used to pay for those expenses to avoid duplication of benefits and to be prepared to document no duplication of benefits if requested by OBM, the Auditor of State, or federal oversight agency.

Is the County I received funds through responsible for monitoring my activities with the funds?

No, the Office of Budget and Management will be performing subrecipient monitoring of the financial activities with the funds. The County will be responsible for the distribution of the funding within the guidelines of the enacted legislation.

How long should jurisdictions retain records relating to the CRF and supporting expenditures? (updated July 16, 2020)

Records shall be maintained for a period of five (5) years after final payment is made using Coronavirus Relief Fund monies. These record retention requirements are applicable to all prime recipients and their grantees and subgrant recipients, contractors, and other levels of government that received transfers of Coronavirus Relief Fund payments from prime recipients.

What types of records should be retained? (updated July 16, 2020)

Recipients of Coronavirus Relief Fund payments shall maintain and make available upon request all documents and financial records sufficient to establish compliance with subsection 601(d) of the Social Security Act, as amended, (42 U.S.C. 801(d)). Records to support compliance with subsection 601(d) may include, but are not limited to, copies of the following:

1. general ledger and subsidiary ledgers used to account for (a) the receipt of Coronavirus Relief Fund payments and (b) the disbursements from such payments to meet eligible expenses related to the public health emergency due to COVID-19;
2. budget records for 2019 and 2020;
3. payroll, time records, human resource records to support costs incurred for payroll expenses related to addressing the public health emergency due to COVID-19;
4. receipts of purchases made related to addressing the public health emergency due to COVID-19;

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5. contracts and subcontracts entered into using Coronavirus Relief Fund payments and all documents related to such contracts;
 6. grant agreements and grant subaward agreements entered into using Coronavirus Relief Fund payments and all documents related to such awards;
 7. all documentation of reports, audits, and other monitoring of contractors, including subcontractors, and grant recipient and subrecipients;
 8. all documentation supporting the performance outcomes of contracts, subcontracts, grant awards, and grant recipient subawards;
 9. all internal and external email/electronic communications related to use of Coronavirus Relief Fund payments; and
 10. all investigative files and inquiry reports involving Coronavirus Relief Fund payments.

Who is my grant contact at OBM for questions or concerns?

The Ohio Grants Partnership is available to answer any questions or concerns that you may have via e-mail at grants@obm.ohio.gov.

What is the process for returning funds to the State of Ohio? (updated October 1, 2020)

Final returns of payment must be received by the Office of Budget and Management no later than February 1, 2021. Returns can be made via check payable to the Treasurer of the State of Ohio and mailed to:

Ohio Office of Budget and Management
ATTN: Fiscal Section
30 E. Broad St., 34th Floor
Columbus, OH 43215

