

Ohio

**Office of Budget
and Management**

Coronavirus Relief Fund Local Assistance Guidance
June 24, 2020

Ohio

**Office of Budget
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Opening Remarks

Director Kimberly Murnieks

Agenda

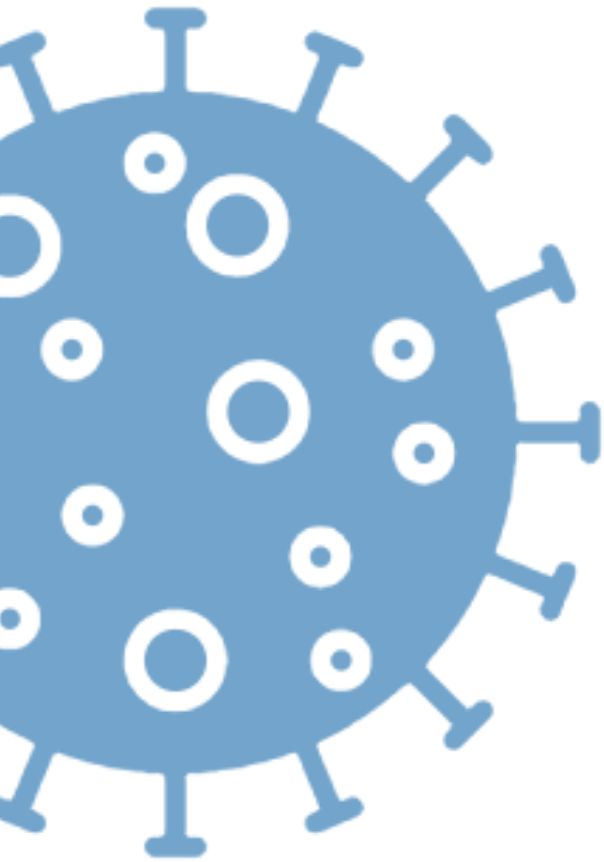
- Overview of CARES Act Coronavirus Relief Fund and HB 481
- Ohio Grants Partnership
- Coronavirus Relief Fund Requirements and Eligible Uses
- Frequently Asked Questions

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CARES Act Coronavirus Relief Fund and HB 481

Overview



CARES Act - Coronavirus Relief Fund

- The CARES Act established the \$150 billion Coronavirus Relief Fund (CRF)
- Money was allocated by the federal government to state, local, and tribal governments to assist with response to the COVID-19 public health emergency
- Funds allocated directly to local governments with a population of 500,000+
- Additional allocations were made to the state to distribute to local governments with a population under 500,000
- Funds provided from the US Department of the Treasury
- Ohio Office of Budget and Management (OBM) is administering the funds

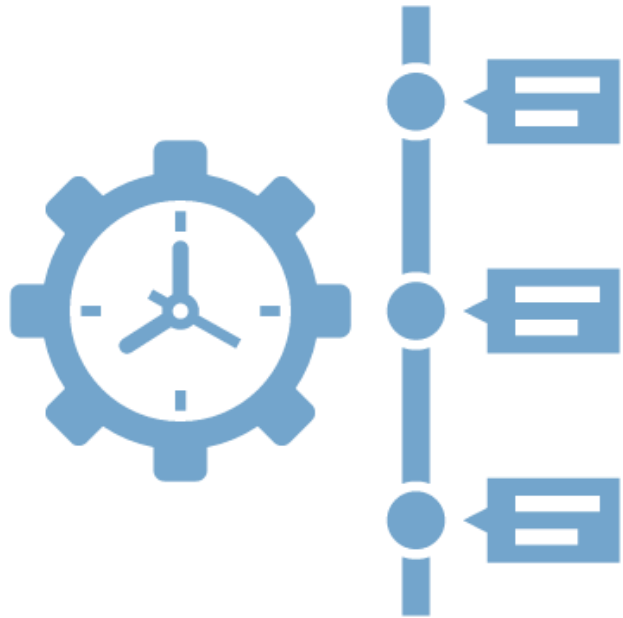


HB 481 – Coronavirus Relief Funds to Locals

- Ohio has approximately \$1.2 billion in Coronavirus Relief Funds available for local allocation
- HB 481 appropriates an initial \$350 million
- SB 310 became HB 481
 - Originally introduced in May and passed the Senate as SB 310
 - SB 310 was amended and passed in June by the Ohio House
 - Ohio Senate amended HB 481 with the provisions and passed on June 10th
 - Ohio House passed amended HB 481 on June 11th
- Governor DeWine signed the bill on June 19th
- Bill has an emergency clause making it **effective immediately**
- Payments were processed on June 19th by OBM and should have been received by each county treasurer on June 23rd

Overview of HB 481

- Money is to be distributed to counties, municipalities, and townships that did not receive a distribution directly from the US Treasury
- The County Undivided Local Government Fund (CULGF) formula is used
 - Should receive at least 100% of what was received in 2019 LGF money
- OBM worked with Ohio Department of Taxation to determine allocations for each County and distributed funds to each county treasurer
- The County must establish a new fund named County Coronavirus Relief Distribution Fund
- County will distribute to eligible subdivisions within the county within seven days
 - Dependent upon receipt of resolution submitted to County Auditor and OBM
 - Can submit to OBM electronically at grants@obm.ohio.gov



Timeline of Activities

- **June 23, 2020** – Funds are distributed to County for distribution within seven days if in receipt of resolution
- **October 15, 2020**
 - Unencumbered balance in the local coronavirus relief fund must be returned to applicable county treasurer
 - Interim Financial Status Report due to OBM through the OBM grants portal
 - [Grantsportal.ohio.gov](https://grantsportal.ohio.gov)
- **October 22, 2020**
 - Funds returned are redistributed by the County Auditor
- **No later than December 28, 2020**
 - Unspent funds must be returned to OBM

Register with OBM



- Registration with OBM is required for all on the OBM Grants Partnership website
 - <https://grants.ohio.gov/fundingopportunities.aspx>
 - Click the Register button at the bottom of funding opportunity
 - Guidance, sample resolutions, and county distribution template are all available here
- Why do I need to register?
 - Establishes account in the OBM grants portal for log-in to do reporting
 - Provides OBM contact information
 - Provides OBM required information to comply with CARES Act reporting
- What do I need to register?
 - Contact information
 - DUNS number

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Ohio Grants Partnership

About the Ohio Grants Partnership



- Created by the Ohio Office of Budget and Management to provide support to Ohio's grant management community
- The partnership's vision is to be the leading resource for the Ohio grants community to help build the capacity of its partners to successfully apply for and manage grant programs; and in doing so ensure Ohio maximizes the amount of federal funds awarded while optimizing the use of funds received and prioritizing to achieve the greatest result.
- Key component of the partnership's mission is to assist the local grants community
 - First Annual Ohio Grants Summit is September 15th
 - Free and virtual!
 - Registration at <https://ohio-grants-summit-2020.eventbrite.com>

Ohio Grants Partnership Resources



- The Ohio Grants Partnership website is <https://grants.ohio.gov/> and contains resources to help in managing grant funds
 - Helpful links
 - DUNS and SAM Registration instructions
 - Grants Training
 - Funding Opportunities and links to agency sites
- Resources to manage these CRF funds such as an OBM guidance document and US Treasury guidance and frequently asked questions links
 - Updates may be made to the guidance document based on Treasury guidance changes or additional Frequently Asked Questions that need addressed

Ohio Grants Partnership's Role



- County Auditor serves as a conduit for funding for subdivisions
 - Distribute the initial funding after receipt of resolution
 - Redistribute returned funds by October 22
 - Report to OBM the distributions made using the template
- OBM has published a spreadsheet template for use by County Auditors for submission to OBM
 - Spreadsheet may be submitted to grants@obm.ohio.gov
 - Availability to submit in the portal at <https://grantsportal.ohio.gov/> in early July
- OBM serves as the awarding agency for HB 481 funds
 - Ohio Grants Partnership will conduct monitoring
 - Issues guidance and will continue to update as Treasury guidance changes
 - Financial status reporting will be submitted to OBM by all fund recipients
 - Questions on allowability and use should be directed to the Ohio Grants Partnership

Select Award Cathy Test 9 - Testing 6/3 1:37 PM

▶ Funding Opportunity Details

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▶ Eligibility Form

...

▶ Application

...

▼ Documents

Upload File(s)

Uploaded Files (2)

FFATARreport (xlsx)	06/23/2020	
Grantor ApplicationForms (002) (docx)	06/24/2020	

Add Files

Click the first file or folder, and then press and hold the Ctrl key. While holding down the Ctrl key, click each of the other files or folders you want to select.

Save

▶ Activity Reports

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Coronavirus Relief Fund Requirements and Eligible Uses



Coronavirus Relief Fund Information

- Funds were awarded as **Federal Financial Assistance** from the US Department of Treasury
- The OBM Guidance document serves as the award document with required funding information.
 - An addendum of actual funding amounts will be posted on the grants website once all amounts are official and confirmed via reporting by the County Auditors.
- CFDA Number or Assistance Listing Number is 21.019
- Subject to Single Audit Act
- Performance period is March 1, 2020 to December 30, 2020 (note funds are required by legislation to be returned by December 28)

Authoritative Requirements



- CARES Act
- US Department of Treasury Guidance and Coronavirus Relief Fund Frequently Asked Questions
 - <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>
- Specific Uniform Guidance Sections
 - 2 CFR 200.303 Internal Controls
 - 2 CFR 200.330 through 200.332 regarding subrecipient monitoring and management
 - Subpart F regarding audit requirements
- OBM Coronavirus Relief Fund Local Government Assistance Program Guidance and Frequently Asked Questions
 - <https://grants.ohio.gov/fundingopportunities.aspx>

Financial Status Reporting



- Financial Status Reporting will be completed on the OBM grants portal
 - Portal is located at <https://grantsportal.ohio.gov/>
- An Interim Report and a Final Report are required
 - Interim report due **October 15** for activities up through September 30
 - Final report due **December 30** to include activities for the entire performance period. Remaining balances reported must be returned.
- Reporting elements required
 - CARES Act required information to include obligations (encumbered amounts), expenditures, activities, and job metrics (jobs created or retained)
 - Note that your funds may not create or retain jobs, thus this may be N/A

Overarching Cost Eligibility Criteria

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

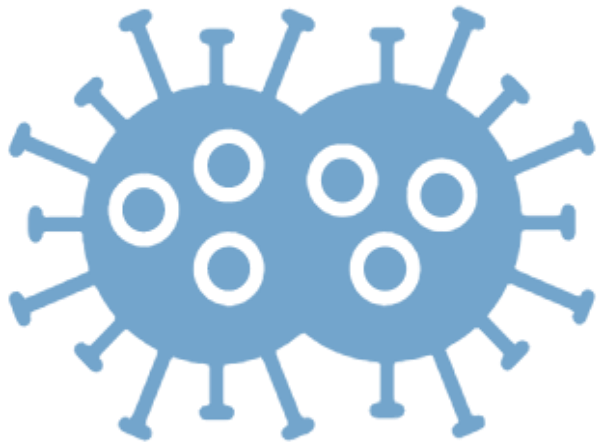
(1) are **necessary** expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);

(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



Criteria #1 - “Necessary”



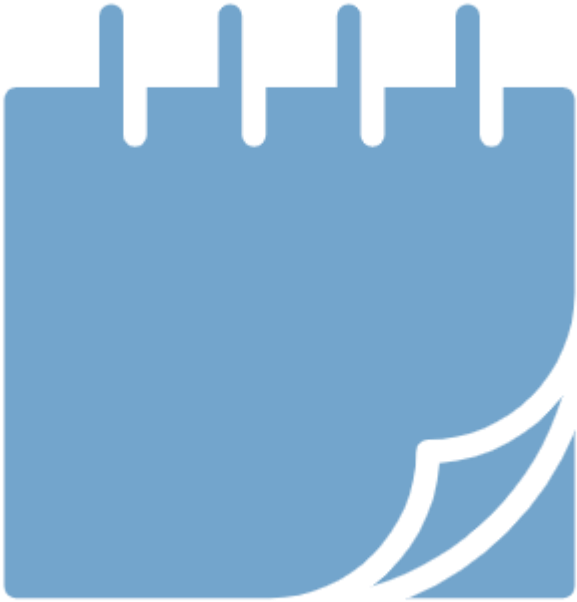
- Incurred **due to** the COVID-19 public health emergency meaning actions taken to respond to the public health emergency
- Expenditures incurred to allow government to respond directly to the emergency and includes second-order effects of the emergency such as economic support of individuals suffering or business interruptions due to COVID-19 related business closures
- Necessary is a key component and is very broad
- Expenditure is reasonably **necessary** for its intended use in the reasonable judgement of the government officials responsible for spending fund payments
- Documentation of decisions can assist to later justify expenditures

Criteria #2 - Costs Not Accounted for in Budget



- Budget as of March 27, 2020 to include any previously approved budget amendments or supplemental appropriations. A temporary budget as allowed by Ohio law passed prior to March 27, 2020 is considered the approved budget.
- “A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account”
- A cost meets this requirement if either:
 - the cost cannot lawfully be funded using a line item, allotment, or allocation within the budget **OR**
 - the cost is for a **substantially different use** from any expected use of funds in such a line item, allotment, or allocation.

Criteria #3 – Costs Incurred During the Period



- Incurred during the period that begins on March 1, 2020 and ends on December 30, 2020
- A cost is **incurred** when the responsible unit of government has expended funds to cover the cost
- This does not mean an open encumbrance remaining at December 30
- There has been no indication of liquidation period with these funds
- Cash out the door before December 30 (HB 481 dictates a return of unused funds by December 28)

Multiple Federal COVID Funding Sources



- No double dipping. The same costs cannot be presented to more than one program
 - Be aware of what you have submitted to FEMA for reimbursement
- Make sure COVID funds from different federal sources are tracked separately
- If Coronavirus Relief Funds are received by your subdivision from both HB 481 and a direct allocation passed down, there is a need to keep each separate
- OBM guidance will guide the funds received from HB 481, whereas Treasury guidance is the only applicable guidance for the direct allocated funds

Permissible Use of Funds – Medical Expenses



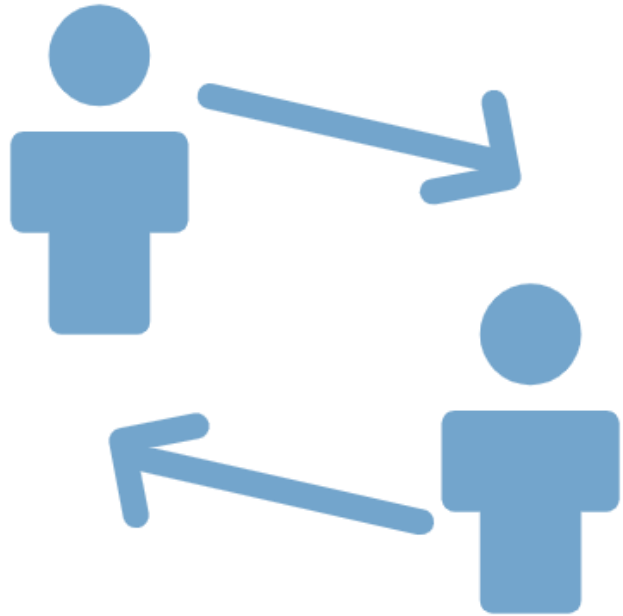
- COVID-19-related expenses of public hospitals, clinics, and similar facilities
- Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs
- Costs of providing COVID-19 testing
- Emergency medical response 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

Permissible Use of Funds – 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

Permissible Use of Funds – Public Health and Related Measures (cont.)



- 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

Permissible Use of Funds – Personnel Costs

- Criteria #1 & 3 – Necessary & Between March 1 and December 30
- Criteria #2 - Costs Not Accounted for in Budget

A cost meets this requirement if either:

(a) the cost cannot lawfully be funded using a line item, allotment, or allocation within the budget **OR**

(b) the cost is for a **substantially different use** from any expected use of funds in such a line item, allotment, or allocation

Substantially Dedicated

(public safety, public health, health care, human services, or similar)

Substantially Different

(repurposed or performing unbudgeted functions substantially dedicated to COVID-19 response or mitigation)

Personnel Costs and Substantial Dedication



- Personnel costs must show substantial dedication
- OBM generally defines a benchmark for identifying substantial dedication to be a contribution of 50% or more of time; however, it is up to each jurisdiction to define its own thresholds of substantial dedication and document the justification for that decision
- Presumption that public safety, public health, health care, human services, and similar employees are **substantially dedicated**
- **However, substantial dedication does not mean substantially different use thus criteria #2 still applies**

Substantially Dedicated, Not Substantially Different

Examples that may be allowable:

- Overtime specifically for supporting response to COVID-19
- Hazard pay (not across the board) and for hazardous duty or work involving physical hardship related specifically to COVID-19
- Unplanned backfill for positions related to COVID-19
- Additional shifts as a result of staff shortages due to COVID-19
- Additional enforcement of public health measures
- Personnel hired due to COVID-19 (contact tracers, testing personnel, etc.)



Permissible Use of Funds – 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

Permissible Use of Funds – 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)

Prohibited Use of Funds (cont.)



- Workforce bonuses, this prohibition does not include hazard pay or overtime
- Severance Pay
- Medicaid Match
- 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

Key Takeaways



Documentation is critical

- Payment documentation
- Personnel documentation
- Support showing the nexus to the COVID-19 public health emergency
- Documentation justifying decision and necessity of expenses



Remember overarching criteria for eligible costs

- Necessary
- Not previously budgeted
- Incurred March 1, 2020 through December 30, 2020



When in doubt, ask

- Utilize your legal counsel
- Contact the Ohio Grants Partnership

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Frequently Asked Questions



When is a cost incurred?

- A cost is incurred when the responsible party has expended funds to cover the cost. This means when a check or electronic fund transfers are issued. This includes subawards to municipalities or businesses.

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.

Can I transfer funds to my GRF because that is where I made the expenditure?

- No, you should not transfer funds to another fund rather move the expense to the established coronavirus relief fund



Can I pre-pay to lease a facility for a year to store my PPE stockpile?

- Pre-payments are not allowed

What do I do if I earn interest on the Funds?

- Interest earned must be put towards the program and used in a manner consistent with the guidance

Can I dispose of assets purchased with CRF funds?

- Assets may be retained, but if disposed of prior to December 30, 2020 proceeds must go into the program and follow those restrictions



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.



What expenses related to cleaning government buildings and facilities are allowable uses of 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 the funds be used to upgrade digital technology or increase capacity to allow government employees to work from home, to hold open public meetings, and/or increase the accessibility of online services for the community?

- IT related costs need to be shown to be "necessary" as a direct response to the COVID-19 public health emergency. A jurisdiction would need to demonstrate that without the upgrade or capacity increase the government is incapable or less capable of mitigation or responding to the crisis and continuing critical operations. These costs must also be costs that were not otherwise planned but were necessary due to COVID. Routine software upgrades would not be allowable.



Can funds be used to match FEMA costs?

- Most likely, US Treasury has announced this is eligible and is expected to add to their frequently asked questions soon.

Can funds be used for capital improvement projects that broadly provide potential economic development in a community?

- In general, no. Exceptions may be costs specific to response and mitigation of COVID-19 which may include construction of temporary public medical facilities and other measures to increase COVID-19 treatment capacity.

Resources

- The Ohio Grants Partnership website
<https://grants.ohio.gov/>
- Code of Federal Regulations (Uniform Guidance)
https://ecfr.io/Title-02/cfr200_main
- Coronavirus Relief Fund Information and Guidance
<https://home.treasury.gov/policy-issues/cares/state-and-local-governments>
- System for Award Management
<https://sam.gov/SAM/>

Contact Us with Questions

Ohio Grants Partnership

E-Mail grants@obm.ohio.gov

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