

## County Coronavirus Relief Fund FAQ

7/29/2020 | Kansas Office of Recovery CRF

### Questions from 7/24 Webinar

***Q: Can non-profits be reimbursed for loss of fundraising revenue?***

**A:** Counties may make grants to small businesses, including non-profits, to reimburse the costs of business interruption caused by required closures, so long as the expenditures are reasonably determined to be necessary. Non-profits are also eligible for public health related funds such as grants for PPE, cleaning supplies, etc.

***Q: Is there confirmation for submissions? How will we know if our submissions have been received?***

**A:** Yes. For direct aid forms and reimbursement forms, there will be confirmation that your forms have been received.

***Q: In regard to school funding, do counties transfer funds to the county where the district headquarters reside? And what kind of documentation does that require?***

**A:** Counties can either transfer funds directly to the school district or to the county where the school district resides, as long as the transfer is accounted for. All transfers should be outlined in the transfer tab.

***Q: If employees are sent home for safety concerns, are budgeted wages eligible for reimbursement?***

**A:** 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. According to federal Guidance, a cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that 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. 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.

***Q: If we give grants to businesses in our direct aid plan, will we later be required to use the reimbursement form to report details of how they use that money? I.e., we give them \$5000 direct aid, do we need to report unique expenses (rent, payroll, supplies) as they use it?***

**A:** Counties have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should

be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. Where businesses seek reimbursement for COVID-related expenses, they should provide documentation of those costs. If they are seeking economic support, they should provide sufficient information to allow the County to reasonably determine that such support is necessary due to the public health emergency.

***Q: What is the expected timeline for approval of the direct aid plan?***

**A:** Submitted on August 15 or earlier – our deadline is Sept 15 or earlier. By Sept. 15, you will have the answer, you will have time to amend it.

***Q: Will private schools request funds through their locality's district or can they submit directly to the county?***

**A:** Schools should submit requests directly to the county. Note that the resolution does not require Counties to reimburse private school funding.

***Q: Is it justifiable to add in administrative fees for the agencies that are administering the programs? For example, if we build a program that supports businesses, can the Chamber receive funds to administer the program?***

**A:** Yes, and we are asking that those be capped at 5%.

***Q: Are subrecipients subject to a single audit for their received funds or is the county audit going to cover that and just request documentation of those expenditures from their subrecipients?***

**A:** According to current federal guidance, the State will be subject to potential audit by the Office of the Inspector General at the United State Department of the Treasury. In the event of such an audit, Counties will be expected to cooperate and provide whatever supporting documentation is requested by the OIG. Accordingly, Counties should require subrecipients to document and report as much as possible regarding their expenditures. You may use MOUs or other legal documentation to share accounting responsibility between the county and the sub-recipient.

***Q: If using an outside company to manage, what is the allowable percentage they can charge the counties?***

**A:** Overall administration for the program should be capped at 5%.

***Q: Since our local nursing home facilities will get funding in Round 2, can we know what percentage they will get in Round 2, so we can balance the difference in Round 1?***

**A:** Under the current plan approved by the SPARK Task Force, nursing homes will get \$20 per day, for 120 days, for all of their beds. Work with your nursing homes to see what amount they will be receiving through the Department of Aging and Disability

Services. This does not bar them from additional county funds or reimbursement requests.

***Q: Will individual nursing homes apply for the bed money or is it a direct transfer from the State based on beds, etc?***

**A:** They don't need to apply, it's a direct transfer from KDADS.

***Q: How robust must new grant programs be? What are basic requirements to ensure compliance?***

**A:** Counties have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. We suggest creating a standardized application that lets the county know if they've received funds from any other place. Further, ensure that the applicant submits a budget to you, including the narrative and administrative costs. Finally, ensure accountability at the county level, through an MOU or other agreement. Make sure you have a clear reporting structure and look to the direct aid structure for examples on creating grant programs.

***Q: Will Phase 2 funding be limited in the amount of requests submitted by all eligible in a county or is that open ended?***

**A:** We're still working on the details for implementation for Phase 2 funding. We will provide more information as it is available.

***Q: Do private colleges need to be supported at the county level? Are they not included in Round 2? Do we support private schools, like local Catholic schools? Are they included in reimbursements and direct aid funding?***

**A:** Private schools are eligible for grants and should be treated similar to any other business or private entity.

***Q: Does higher ed include private colleges?***

**A:** Higher Education funding in Round 2 will be provided through the Kansas Board of Regents and is only for public institutions.

***Q: How can we confirm that a request isn't being duplicated? Is there a report of what has already come into various agencies in the county that we can double check?***

**A:** The first line of defense is to have entities self-report and certify that they have not received reimbursement from any other state or federal program. We will be working on this in the future.

***Q: Do business grants need to have certain restrictions, such as Appendix A to 24 CRF 570, which determines the feasibility of a project? Same question for non-profit support.***

**A:** Counties have discretion to determine what payments are necessary. The federal guidance does not contain any feasibility requirements for grant programs. However, any program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses that need it, and it should require businesses to provide sufficient information for the County to reasonably conclude that the grant is necessary due to the public health emergency.

***Q: Will the duplication of reimbursement be left to auditors for discovery or is there a requirement to confirm this somehow prior to paying funds other than the place on the worksheets to mark that funds are duplicated?***

**A:** We will be working to implement a system that tracks all CRF expenditures to help prevent duplication of reimbursement. Until that time, first line of defense is to have entities self-report and certify that they have not and will not receive reimbursement from any other state or federal program.

***Q: For eligible distance learning or any type of expense that is eligible, if it is common to enter into an annual contract, can the entire contract be taken as CRF eligible or does it have to be prorated and only the months ending in December, therefore, get to be taken as eligible on the CRF Funds?***

**A:** Under the statute, CRF funds may only be used for expenditures that were necessary during the period of March 1 through December 30, 2020. According to the most recent federal guidance, in the case of a lease of equipment or other property, irrespective of when payment occurs, the cost of a lease payment shall be considered to have been incurred only for the period of the lease that is within the covered period. This reasoning would also extend to licensing agreements and similar expenditures.

***Q: The hospital in our county is not county owned, can we reimburse any eligible expenses for them?***

**A:** Counties may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency.

***Q: If PPE for an entire school year is purchased prior to December, is that considered an eligible expense, or does it have to be pro-rated and drop off the portion being used after December?***

**A:** The cost of goods purchased in bulk and delivered during the covered period may be covered using payments from the Fund if a portion of the goods is ordered for use in the covered period, the bulk purchase is consistent with the recipient's usual procurement policies and practices, and it is impractical to track and record when the items were used.

***Q: Schools could claim endless costs, so how does a county avoid getting excessive requests from schools? How does a county manage this if it is a requirement to cover ALL costs from schools? I.e., what if a school submits reimbursement for technology, laptop, etc. purchased for every single student?***

**A:** There is no requirement that Counties cover all costs from schools. Rather, Counties have discretion in determining what expenses they will cover with CRF funds. Schools will be receiving some funds for expenses that may otherwise be eligible for CRF funding, but it's likely they will have additional expenses related reopening. Ask schools to first ensure they have access to federal funds through KSDE and then only to come to the County for unmet reimbursement.

***Q: We have 2 entities doing the administration and are dividing the 5% of the total grant fund on those from what we understood. For Subrecipients, would each subrecipient be allowed to use 5% of their direct aid allocation to go toward 5%, or will that need to come out of the gross 5% of the total county allocation?***

**A:** 5% for your county administration and 5% for your subrecipients. The 5% does not need to be taken out of the county percentage. However, please try to manage this as much as possible and keep administrative costs to what it is needed.

***Q: Are local businesses that received PPP funds eligible for grant funds through the county's direct aid plan?***

**A:** There is nothing that is legally barring businesses who receive Paycheck Protection Program funds from receiving county or state funds, so that is the decision of the county.

***Q: Does a business have to have been closed either voluntarily or as the result of a closure order to get money from county in Round 1?***

**A:** No. Federal guidance allows fund payments to be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the County to be necessary. This may include grants for small businesses affected by decreased customer demand as a result of the COVID-19 public health emergency, even in the absence of a required closure.

***Q: In regard to schools serving students in 2 different counties, can we work directly with schools or do we need to go through the District in the other county?***

**A:** You can work directly with that school as needed, however let the other county know, or work with them to avoid duplication of expenditures.

***Q: Some school districts are wanting to use county allocations of CRF funds first, before using the funds direct provided to districts by the Federal government through KSDE. Are they able to do that?***

**A:** That is a county-level decision. However, schools are encouraged to use direct federal funds provided to districts before accessing county-allocated funds.

***Q: If a hotel lost 90% of their revenue, but didn't have to close – are they eligible for a business grant for operating expenses?***

A: Yes, they are eligible for a business grant program under the federal guidance if the expenditures are determined by the government to be necessary. This may include grants for small businesses affected by decreased customer demand as a result of the COVID-19 public health emergency, even in the absence of a required closure.

## **Eligibility Determinations**

***Are expenses related to paid leave for qualifying reasons designated under the Families First Coronavirus Response Act eligible?***

Such expenses qualify as the provision of paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.

***Are telephone towers for COVID communication an eligible expense?***

A telecommunications tower should qualify under the current federal guidance as an expense, because it would be an expense to provide emergency medical responses related to COVID-19, to facilitate distance learning in connection with school closings to enable compliance with COVID-19 precautions, as well as to improve telework capabilities for public employee to enable compliance with health precautions. However, such expenditures would only be permissible if performance or delivery takes place during the covered period. Accordingly, to qualify, the project should be reasonably expected to increase capacity for one or all of these functions prior to December 30, 2020.

***Would school district partnerships with internet providers to deliver basic wired internet service to students for remote learning qualify as an eligible expense?***

Such expenses should qualify under the current federal guidance as an expense, because it would be an expense to facilitate distance learning in connection with school closings to enable compliance with COVID-19 precautions. The expense would only qualify for service delivered through December 30, 2020.

***May funds be used for capital improvement projects necessary to reopen municipal facilities to the public?***

Such reopening expenses would only qualify if the County determined them to be reasonably necessary due to the public health emergency (which includes measure to achieve social distancing and to enable compliance with COVID-19 public health precautions) and construction was substantially complete by December 30.

***Could fund payments be used for capital improvement projects that broadly provide potential economic development in a community?***

In general, economic development projects do not qualify for CRF funds. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

***Do medical expenses for specialized medical equipment for use by EMS departments qualify?***

Purchase of EMS medical equipment would most likely qualify for funding as "emergency medical response expenses, including emergency medical transportation, related to COVID-19" if the County reasonably determined the equipment was necessary to increase COVID-19 treatment capability.

***Would purchasing and installing secured fencing around facilities qualify for CARES Act funding?***

We have doubts that general fencing for property unrelated to any specific need related to COVID-19 would qualify for CRF funds. Also, in general, economic development projects do not qualify for CRF funds. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

***Would building a wall and glass payment window to limit the exposure to COVID qualify as an eligible expense?***

Such expenses should qualify if the County determined them to be reasonably necessary due to the public health emergency (which includes measures to achieve social distancing and to enable compliance with COVID-19 public health precautions) and construction was substantially complete by December 30.

***Would items such as tactical vests, body cameras, and dash cam technology for Sheriff's departments qualify as eligible expenditures?***

Expenditures must be limited to those that are necessary due to the public health emergency. The County must make reasonable determinations about what expenses are necessary. We do not believe that tactical vests or dash cam video technology qualify for CRF funds.