

7/29 County Webinar

July 29, 2020

Agenda

- I. Meeting Called to Order
- II. Recovery Office Updates
- III. Federal Guidance
- IV. Department of Commerce Presentation
- V. FAQs
- VI. Next Steps

Agenda Item II

Recovery Office Updates

Office of Recovery Updates

- Round One Updates

- Guidance interpretation requests are continuing to be sent. Please check your emails for a formalized response over the next week if you have not already received one.
- We have posted the questions from last Friday's Zoom along with "frequently asked determinations" on the website.

- Round Two Updates

- SPARK Steering and Executive Committees have given initial approval to Round 2 Proposals. The link to the livestream and meeting materials can be found here: <https://covid.ks.gov/spark-meetings/>
- The State Finance Council will meet 7/29 at 3PM to provide final approval of Round 2 funds.

House Keeping

- Please centralize communication and requests for guidance interpretation through your primary point of contact – this includes Requests for Guidance Interpretation.
- Reminder on Requests for Guidance Interpretation – this is to help to determine eligibility of expenses. This is not to answer questions on forms, deadlines, etc. Use the fillable form at <https://covid.ks.gov/spark-county-resources/> when submitting a guidance interpretation request. Use recovery@ks.gov for your general questions.
- We'd like to reiterate something the toolkit – a top priority for counties should be to spend funds on **sourcing** and **securing** needed PPE supplies from outside vendors using their funds. State resource's such as KDEM for PPE, are a last resort.

Office of Recovery Updates

- Additional clarifications:
 - **Can non-profits be reimbursed for loss of fundraising revenue?** 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.
 - **Can small businesses get money for income losses even if they didn't close?** Yes, businesses do not have to close in order to receive a grant or loan if the county determines that their losses are due to the COVID-19 emergency.
 - **Can counties submit direct aid plans or other forms early?** Yes, you may submit your direct aid plan early. Once approved, you may begin spending.
 - **Where do I find federal guidance?** All guidance can be found on the covid.ks.gov website or the Department of the Treasury Website at <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>

Reporting and Planning Overview for August 15th Deadline

- By **August 15th**, you will submit two documents to the Office of Recovery through the online submission portal:

County Reimbursement Reporting Form

- Presented during the July 9th Webinar
- Official reporting document to track reimbursements for the reporting period of **March 1st – July 31st**
- Reimbursements can be either for the county or for subrecipients.
- To be used for accounting and compliance purposes.

Direct Aid Planning Form

- Presented during the July 10th webinar.
- A planning tool used to outline spending plans for remaining funds. Should incorporate all funds not accounted for in the reimbursement reporting form. **Must be approved before direct funds are spent.**
- Can include transfers to sub-recipients, county level planned spending, or new programs.
- Can be amended as needed beyond August 15th.

What does Round 2 mean for Counties?

- State investments are intended to supplement and augment your work at the county level. They are also intended to provide additional funds for specific services, priorities, and needs.
- Continue to provide reimbursements to institutions even if they are eligible for state investments for other priorities. Rules on duplication of funds still apply – no cost may be reimbursed twice.
- Continue to create business/other grant programs as you deem necessary, the state programs do not have enough funds to cover all the demand and are intended to support your investments.
- Continue to prioritize critical community level investments with your remaining funds to support priorities like rent/utility assistance, business/childcare support, nursing home support, etc. Use the toolkit and webinars for ideas.

Agenda Item III

Federal Guidance

Key Takeaways From 6/30 Guidance

- Clarifies/further defines previous guidance on:
 - Necessary expenditures incurred due to the public health emergency
 - Costs not accounted for in the budget most recently approved as of March 27, 2020
 - Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020
 - Performance or delivery of a cost must occur during the covered period but payment of funds can happen up to 90 days after.
 - All goods delivered during the covered period do not need to be used during the covered period.
 - Some portion is used before 12/30; Bulk purchase is consistent with typical procurement; Impractical to track timing of use
 - Supply chain disruptions allow for additional flexibility in December 30th deadline for receiving at least a portion of goods.
- Also provides a nonexclusive list of eligible and ineligible expenses

Key Takeaways from 7/8 Guidance

- Indicates that CRF funds can be used to cover administrative leave costs associated with a stay-at-home order or a COVID-19 case/contact as long as that cost is over and above the budgeted cost of administrative leave for that employee.

Agenda Item IV

Department of Commerce Presentation

Agenda Item V

FAQs

Reminder: Updates to the Direct Aid Template

- New Direct Aid Template and associated memo are posted on <https://covid.ks.gov/spark-recovery-office/>
- This document should **not** be used to record already incurred expenditures or reimbursements, it is **not** a reporting form
- What has changed?
 - There are now three types of tabs: planned independent expenditures, program tabs, and transfer tabs.
 - The program tab now includes a budget narrative to ensure that there are justifications for all expenditures.
 - All transfers to schools, cities, etc. should now be in a separate transfers tab, with itemized expected expenditures for that transfer.

Selected FAQs

- **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: 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. If proposed expenditures are denied in the Direct Aid plan, will there be an opportunity to amend planned expenditures before recoupment?
- **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: 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.

Additional Selected Clarifications

- Payroll reporting:
 - All payroll reporting needs to be in a single line item for each job position, on the county and/or the subrecipient expenditure report. Payroll costs cannot be combined into one line item due to the potential complications as a result of ambiguous reporting.
 - If a single employee's entire salary is eligible for reimbursement, even if they were paid bi-weekly, that one employee's salary may be reported in one line item. Note in the comments the dates/pay periods encompassed in the requested reimbursement.
 - EIN Column on Reporting Template
 - The EIN column is highly recommended to be filled out on your report but not required. If the EIN is difficult to obtain, the vendor name is sufficient. For example, the vendor name would be the name of the company providing the product, not Amazon.
- Interest accounts for CRF Disbursements
 - Upon further conversations with counties, some counties do not have options to put funds in a not interest-bearing account. Right now our recommendation is not put CRF funds in accounts that accrue interest due to the complexities with reporting. We will review options for how to record and report interest earned on CRF disbursements for those counties with no other options.

Agenda Item VI

Next Steps

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- We continuing to email guidance interpretation determinations to counties – watch out for an email in the next week
- Continue to streamline questions to one central person at your county – you should be receiving emailed answers to your questions.
- SFC will consider the Round 2 proposals today. As mentioned, Round 2 will be handled at the state level.
- Next Webinar: July 31st, at 10AM