

County Webinar FAQ

7/30/2020

Eligible Expenses:

Q: Are vehicles and Health Department trailers both acceptable expenses, and would there be any restriction on the vehicle?

A: Purchase of vehicles for the Health Department would most likely qualify for funding if the County reasonably determined the equipment was necessary to increase COVID-19 treatment capability. Note that vehicle replacement would not be an eligible expense. The expenditure must be deemed reasonably necessary due to the public health emergency.

Q: Would a new ambulance to meet the demand of responses be an eligible expense?

A: 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. Note that vehicle replacement would not be an eligible expense. The expenditure must be deemed reasonably necessary due to the public health emergency.

Q: Would a project involving the purchase of school supplies be an eligible project for the county?

A: A county must determine if the purchase of such supplies is a necessary expense due to the COVID-19 public health emergency. Generally, supplies for schools should be limited to essential supplies to promote distance learning, public health, and other COVID-19 related priorities to protect students or mitigate spread. A program providing school supplies to all students, without regard to any need created by the public health emergency, would most likely not be eligible.

Reimbursements:

Q: Is establishing a small business grant program to make up for costs of business interruption an eligible expense, and what limits or stipulations must be followed?

A: Business grant programs are both eligible and encouraged. If a business can show business interruption costs that are related to the COVID-19 public health emergency, counties can provide funds to those small businesses to compensate for such losses.

Counties have discretion in determining conditions and limitations for these programs. Counties should develop these programs with the understanding that the program may be audited to ensure that grants were provided and expended for eligible expenses.

Q: Do loss of donations to non-profits qualify for reimbursement?

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

Q: Will private schools get reimbursements?

A: Private schools can apply directly to a county to receive funds or reimbursements just as any other business or other entity would. According to the County resolution, counties are only *required* to provide reimbursements to public educational institutions and municipalities. Counties have the option to provide reimbursements to other entities such as private schools, subject to the requirements of the CARES Act.

Q: For non-profits eligible for public health related funds such as grants for PPE, cleaning supplies, etc., are counties allowed to reimburse non-profit quasi-municipalities for COVID-19 related expenses? If so, how are those requests to be submitted?

A: Non-profits are also eligible for public health related funds such as grants for PPE, cleaning supplies, etc. Counties can determine the best distribution mechanism for funds to non-profits as long as all expenditures are reported to the State.

Round 2:

Q: How will round 2 funds be made available to businesses?

A: Funds from Round 2 that are allocated for small business grants will be made available through a centralized web portal from the Department of Commerce. Businesses will apply directly. More details will be available in the coming weeks concerning the specific timeline and applications processes for these programs.

Q: For businesses that did not qualify through CDBG-CV during round 2 SPARK funding due to Lenders Mortgage Insurance restrictions, will these limitations be lifted?

A: There will not be LMI restrictions on the Department of Commerce economic development funding.

Q: Are Round 2 business grants from the Department of Commerce first come, first serve?

A: Pending approval from the SPARK task force, small business grants will likely be awarded on a first come, first serve basis.

Grants:

Q: Can counties give loans to for-profit entities rather than only grants?

A: Counties may provide loans to for-profit or non-profit entities if they choose to do so. However, grants are highly encouraged due to the difficulty of loan repayment because the economic stresses of the pandemic and the complexities of managing a loan program during the short expenditure period of 3/1 – 12/30.

Q: Will funds provided by grants to replace business revenue losses be taxable at the federal and/or state level?

A: Grants to businesses may be considered taxable. Businesses applying for grants should consult their tax adviser for more information.

Q: Are all grants in arrears for expenses already made, or are some forward facing?

A: Grants can be forward facing for eligible COVID-19 related expenses that will be incurred before December 30, 2020.

General/Uncategorized:

Q: Where will updated FAQs be posted?

A: Updated FAQs are posted in the webinars section.

Q: How can counties be sure that guidance interpretations have been received?

A: The Recovery Office Team is working to check and process guidance interpretation requests. Responses are being sent out in groups of 15-20 every day, and are being answered as soon as possible.

Q: When considering infrastructure investments to make the December 30th timeline, is it sufficient to have funds obligated? Or would having a signed contract and putting funds into escrow be acceptable?

A: Under the federal guidance, a contract and escrow is not sufficient. Performance or delivery must occur during the Covered Period of March 1 – December 30, 2020. Accordingly, if the expenditure is for something that cannot be delivered and used during that time period, it is not eligible. The guidance gives some flexibility for unforeseeable delays during delivery, but if you know the good or service cannot be delivered and used before December 30, it is not an eligible expense.

Q: If a school provided hotspots for students with county funding, would only the monthly fees associated with that be covered up until December 30th, or can they pay a for a year's service in advance?

A: Under the federal guidance, funds may be used only for expenditures incurred during the Covered Period of March 1 – December 30, 2020, which requires performance or delivery the covered period. Fees for services after that date are generally not eligible.

Q: Do the connectivity plans that the Department of Commerce is pondering have a match making service of funding?

A: There will likely be a cost sharing service in the range of 50/50, but these percentages are not yet determined and will depend on the service provider.

Q: How should counties provide funding to LTC facilities that are holding on to previously received funds and are being advised from financial offices to pursue reimbursement from SPARK funds instead of using those funds already received?

A: CRF funds may not be used for expenses that have been reimbursed under any other federal program. Counties should require applicants for grants to certify that they have not received reimbursement from any other sources.