

## ***Kansas Office of Recovery - County Webinar FAQ***

***8/5/2020***

### **Eligible Expenses**

#### ***Q: Can utilities be paid with CARES Act funding for households?***

A: Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance.

#### ***Q: Is a new school bus to adhere to social distancing rules an eligible expense?***

A: Investments to increase adherence of social distancing and other public health measures necessary to combat the COVID-19 pandemic are eligible uses of CRF funds. If the county determines that the purchase of a school bus to increase social distancing is necessary to combat the COVID-19 pandemic, they may do so.

#### ***Q: Is hazard pay an allowable expense?***

A: Hazard pay is an eligible expense if the individual(s) were substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Hazard pay is defined as additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

#### ***Q: To prepare for a Point of Distribution for vaccinations, possible mass testing, drive-thru election, PPE storage, and storage response trailers that have been directly used for COVID-19 response, can a building be constructed for those needs?***

A: As long as the building was built and used by December 30<sup>th</sup>, it would qualify as an eligible expense.

## **Reimbursements**

***Q: Please advise of any backup documentation which will need to be submitted with the county direct aid plan and reimbursements.***

A: The Office of Recovery is currently reviewing additional reporting requirements issued by the United States Department of Treasury on 7/31. As of this time, counties will only need to submit the spreadsheets for the direct aid form and the reimbursement reporting form. Per federal law, counties must keep all supplemental records associated with contracts, proposals, invoices, etc. at the county level for 5 years.

***Q: Our economic development board gave \$500 to small businesses in our county in April to help with the COVID-19 expenses and are planning on doing another round today. Is that a reimbursable expense?***

A: If the expense was made during the incurred period and was a necessary expense due to the COVID-19 emergency, it would be a reimbursable expense.

***Q: If an item was paid by the county using a check, should the reimbursement form be filled with "paid by check?"***

A: If the county used a check for a COVID related expenditure, please record "check" in payment method column.

***Q: Do county's reimbursement receipts need to be approved by the state before counties pay the reimbursement?***

A: The Office of Recovery plans to release new information in the coming week to provide counties additional flexibility for expedited utilization of Round 1 funds. As of now, please do not transfer funds for reimbursement until the report has been submitted for approval to the Office of Recovery.

***Q: Are city owned hospitals considered public entities eligible for reimbursement of FMLA/sick leave, and improvements to telework infrastructure?***

A: Hospitals owned by cities can be considered public entities.

***Q: Will the state allow encumbrances for expenditures for reimbursements?***

A: Performance or delivery of a cost must occur during the Covered Period of March 1 – December 30, 2020. There is some flexibility in payment of funds past 12/30, but the goods or services still have to be incurred during the allowed period of 3/1 – 12/30. For example, if you buy PPE in November, you must reasonably expect the PPE will be delivered and available for use prior to 12/30”. 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.

**Phases 2 & 3**

***Q: Are private colleges getting some of the Phase 2 money allotted for education?***

A: Higher education funds allocated in Round 2 of CRF investments are provided to the Kansas Board of Regents, for public higher educational institutions. Private colleges can apply for the county level money and reimbursement.

***Q: Does Phase 2 funding need to be spent before December 30 as well?***

A: Yes.

**Payroll**

***Q: If a salaried employee is not substantially dedicated to COVID-19 and must spend some time planning around COVID-19, is that planning time reimbursable?***

A: Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible. However, counties may only reimburse wages for time spent specifically on planning activities related to COVID-19. If the majority of an employee’s time was spent dedicated to combatting COVID-19, their payroll expenses are eligible for reimbursement. For the payment of an entire salary, an employee must spend the majority of their time dedicated to COVID-19.

***Q: For workers who have been working on COVID-19 since February and March whose jobs revolve around taking care of emergencies (health department, emergency management, etc.), can counties reimburse their salaries from March 1 to July 31, 2020 since their salaries were already budgeted?***

A: Coronavirus Relief Funds can only be used for performance or delivery of costs during the period of March 1<sup>st</sup> to December 30<sup>th</sup>. Counties may only reimburse salary expenses for COVID-19 related activities during the eligible period.

***Q: Can a municipality be reimbursed for payroll expenses for meetings with their department heads (public works, city clerk, etc.) to discuss strategies for community response to COVID-19? For example, if an employee spends a few hours in meetings talking about COVID strategies, is that time reimbursable?***

A: Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible. However, counties may only reimburse wages for time spent specifically on planning activities related to COVID-19.

***Q: If employees are salaried, how can it be illustrated that they were not budgeted regardless of how much time they spend on COVID related works?***

A: As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020. An employer may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department.

***Q: Can counties calculate a percentage of time spent working on COVID-19 related issues rather than breaking it down by hours?***

A: Reporting as a percentage is acceptable.

***Q: Can the 5% administrative fee be given to county employees because of the hours they have dedicated to reporting and planning for SPARK?***

A: The allocation of 5% of program costs for administration is a recommendation by the Office of Recovery to ensure appropriate accounting, management, and implementation of CRF funds. Bonuses for county employees would not be an eligible expense.

***Q: Can the 5% administrative fee be given to EMS employees who have treated every call and potentially come in contact with COVID-19?***

A: The allocation of 5% of program costs for administration is a recommendation by the Office of Recovery to ensure appropriate accounting, management, and implementation of CRF funds. This question most likely refers to providing EMS employees with hazard pay, which is an allowable expense for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

***Q: Rather than hiring an outside firm, can county employees who have been selected to administer and report SPARK funds receive that money individually?***

A: This is a county level decision. There are no federal guidelines that bar county officials from receiving additional payments for administration of funds as long as those employees are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

## **Direct Aid Plans**

***Q: Can counties receive the KDOC email address for submitting a grant for review?***

A: Counties do not need to submit grant programs for review by the Kansas Department of Commerce. County level programs should be included in the direct aid plan.

***Q: If a county provides a direct grant for cleaning supplies for businesses, do they need to submit proof of supplies after August 1?***

A: This is a county level grant administration decision. Counties could require a proof of purchase for each expenditure made using awarded grant funds, or, as a matter of administrative simplicity, simply designate the cost as a grant to respond to second-order effects of the emergency, such as by providing economic support to businesses suffering due to the increased costs of doing business created by COVID.

***Q: Is there a clearer differentiation between “County Direct Aid Transfer Applications” and “County Direct Aid Program Applications?” Specifically, across different scopes such as county to county departments, or county to city.***

A: Please consult the [Direct Aid Form Memo](#) on the covid.ks.gov website for definitions of requested information in the Direct Aid Form.

## **General/Uncategorized**

***Q: Who in the Office of Recovery do counties report the interest or information to if our Treasurer put the funds in an interest-bearing account? How do counties do this?***

A: Counties will not be required to report interest earned on CRF funds until the September Expenditure Report. More details on how that should be reported will be released soon.

***Q: Where on the website will presentation slides from county webinars be posted?***

A: Webinar slides and materials can be found on the state's COVID website at <https://covid.ks.gov/spark-webinar-materials/>

***Q: Why do counties need the vendor's EIN?***

A: Initially, vendor EIN numbers required to simplify the determination of a vendor's address and contact information. The Office of Recovery revised this guidance to make the EIN number optional. If an EIN is not easily accessible, counties may simply record relevant business name and contact information.

***Q: If a contractor has difficulty sourcing particular resources for a building project that causes completion to be pushed past December 30, would this be considered a supply chain disruption?***

A: Yes, as long as the building project is necessary to combat the COVID-19 emergency and there is a supply chain disruption that delays the ability of that contractor to complete the performance or delivery of a cost during the eligible period of March 1<sup>st</sup> to December 30<sup>th</sup>. But at the time of entry into a procurement contract specifying a time for completion, that completion date must be reasonably expected to be before December 30. Projects that cannot be completed before December 30, 2020, where the recipient knows that at the time of contracting, do not qualify for CRF funds.

***Q: Are sealed bids required for the procurement of construction costs over \$250,000? Or, can counties use a noncompetitive proposal process because the condition is met that there is a public emergency and a sealed bid will cause a delay?***

A: Federal guidance includes no stated restrictions regarding applicable procurement standards. The Office of Recovery has no specific procurement requirement for CRF funds. However, the funds must be used for necessary expenses and performance or

delivery of the cost must occur during the required period. Counties should follow local procurement practice and laws.

***Q: Is there anything in the CARES Act that waives the State of Kansas bid law so school district bids over \$20,000 do not have to occur by Kansas State Statutes?***

A: This is a county-level determination. Consult your county counsel for more guidance.

***Q: If a State transfers Fund payment to its political subdivisions, would the transferred funds count toward the subrecipients' total funding received from the federal government for purposes of the Single Audit Act?***

A: Yes. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program- 11 specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend \$750,000 or more in federal awards during their fiscal year.

***Q: Are counties permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act??***

A: Yes. Recipients are permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act. Subrecipients are subject to a single audit or program- 11 specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend \$750,000 or more in federal awards during their fiscal year.