

Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 Funding

**Corona Relief Funds (CRF)
Discussion May 26, 2020**



CARES CRF Funding

- ▶ Federal Government provided Commonwealth of Virginia \$3.1 Billion; plus \$200 Million to Fairfax County
- ▶ Commonwealth allocated funds to localities based on population [first distribution; status of additional distribution TBD]
- ▶ Funding arriving on or around June 1 after certification received from locality
- ▶ Prince George County share - \$3,346,151
 - Schools receiving separate CARES distribution during FY2021



CARES Funding Allowable Uses

- ▶ May only be used to cover costs that:
 - Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)
 - Were not accounted for in the budget most recently approved as of March 27, 2020 (date of enactment of the CARES Act) for the State or government; and
 - Were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020
 - One-time funding – should not be used for ongoing services and/or base operations



CARES CRF Funding

- ▶ Categories of Use
 - Medical expenses
 - Public health expenses
 - *Certain* payroll expenses
 - Expenses to facilitate compliance with COVID-19-related public health measures
 - Economic support
 - Other reasonably necessary COVID-19 expenses



CARES CRF Funding

- ▶ **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, including serological testing.
 - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
 - Expenses for establishing and operating public telemedicine capabilities for COVID-19- related treatment.



CARES CRF Funding

▶ Public Health Expenses

- Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
- Expenses for acquisition and distribution 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, 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.

CARES CRF Funding

- ▶ **Certain Payroll Expenditures**

Payroll expenses 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.

- ▶ Per discussions with colleagues from other Counties/Cities, key wording is “substantially dedicated”
- ▶ *Likely limited to existing personnel who have been re-assigned to respond to COVID-19; and*
- ▶ *Additional part-time assistance needed in response to COVID-19*



CARES CRF Funding

- ▶ Expenditures to facilitate compliance with COVID-19-related public health measures
 - Expenses for food delivery to residents, including, for example, senior citizens and other 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 to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
 - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - COVID-19-related expenses of maintaining state prisons and county jails, including as relates 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.

CARES CRF Funding

- ▶ Expenditures associated with the provision of **economic support** in connection with COVID-

19

- Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
- Expenditures related to a State, territorial, local, or Tribal government payroll support program.
- Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.



CARES CRF Funding

- ▶ Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria



CARES CRF Funding

- ▶ Expenses / Reliefs **Not** Allowed
 - Revenue replacement / shortfalls
 - Items included in our adopted budget
 - Expenses for state share of Medicaid
 - Damages covered by insurance
 - Payroll / benefits for employees **whose duties are not substantially dedicated** to mitigating or responding to the COVID-19 public health emergency [likely only re-purposed staff and additional part-time help; and COVID-19 related overtime]



CARES CRF Funding

- ▶ Expenses / Reliefs **Not** Allowed
 - Expenses that have been or will be reimbursed by any other federal program [State CARES program for Unemployment / FEMA]
 - Reimbursement to donors for donated items or services
 - Workforce bonuses (however, overtime and hazard pay allowable)
 - Severance pay
 - Legal settlements
 - Assistance to meet property tax payments (can be used to prevent foreclosure)



CARES CRF Funding


- ▶ Separate accounting
 - Established a new Fund – Fund 0230
 - Access will be restricted to ensure only appropriate expenditures coded to CARES funding
- ▶ Expenditures already incurred 3/1 /2020 to now – allowable expenses will be moved to newly established accounts
 - Personal Protective Equipment [PPE]
 - Cleaning / Sanitation Supplies & Services
 - Technology – work continuity
 - Federal Leave taken



CARES CRF Funding – Discussion of Uses

- ▶ We are developing ideas for potential uses and will recommend a “good mix” of economic relief initiatives and resources to cover expenditures made to respond to COVID-19
 - Citizen & Business Relief
 - Public & Employee Protection [PPE / Sanitizing]
 - Work Continuity – IT Equipment; broadband
 - Employee Compensation [federal leave / Unemployment Costs / PT needs and re-purposing of employees]
- ▶ Recommendations to the Board 5/26/2020 – the Board has ultimate authority on uses

CARES CRF Funding – Wrap Up

- ▶ Appropriate procurement is essential for these federal funds [documentation submitted AND retained with invoice]
 - ▶ Expenditures that do not meet criteria will not be allowed – final sign off by County Administrator
 - ▶ Deadlines and invoice payment cutoffs are non-negotiable 3/1/2020 – 12/30/2020 [p-card purchases (if allowed) will be cut off on November 14, 2020; invoice cut-off 12/15/2020]
 - ▶ Clear eligibility criteria and effective administration for any citizen / business relief initiatives is essential
 - ▶ Unspent funds must be returned to the state
 - ▶ Expenditures for unallowable purchases will have to be repaid to the state
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CARES CRF Funding - Wrap Up

- ▶ Questions?

