

County Finance School • April 16, 2021

# Coronavirus Relief Funds - Federal Stimulus Aid To Counties To Date

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**NYSAC**  
— NEW YORK STATE —  
ASSOCIATION OF COUNTIES

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A professional portrait of Dave Lucas, a middle-aged man with glasses, wearing a dark suit, light blue shirt, and red patterned tie. He is standing outdoors in front of a stone building. The text is overlaid on the left side of the image.

**Dave Lucas**

*Director, Finance and  
Intergovernmental Affairs*

**NYSAC**

# THANK YOU TO OUR SPONSOR

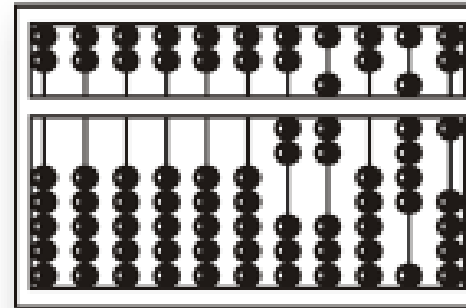
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## Special Announcement

# American Rescue Plan Pre-Award Guidance

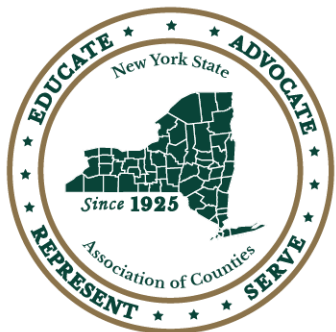
Last night, Treasury released guidance on American Rescue Plan (ARP) pre-award requirements -- All counties should do these things ASAP:

1. Ensure your county has a valid DUNS number. A DUNS number is a unique nine-character number used to identify an organization and is issued by Dun & Bradstreet. The federal government uses the DUNS number to track how federal money is allocated. A DUNS number is required prior to registering with the SAM database, which is outlined below. Registering for a DUNS number is free of charge.
  - If an entity does not have a valid DUNS number, please visit <https://fedgov.dnb.com/webform/> or call 1-866-705-5711 to begin the registration process.



## American Rescue Plan Pre-Award Guidance

2. Ensure your county has an active SAM registration. SAM is the official government-wide database to register with in order to do business with the U.S. government. All Federal financial assistance recipients must register on SAM.gov and renew their SAM registration annually to maintain an active status to be eligible to receive Federal financial assistance. There is no charge to register or maintain your entity SAM registration.
  - If your county does not have an active SAM registration, please visit, SAM.gov to begin the entity registration or renewal process. **Please note that SAM registration can take up to three weeks; delay in registering in SAM could impact timely payment of funds.** Click here for a quick overview for SAM registration <https://home.treasury.gov/system/files/136/New-to-SAM.gov-for-Financial-Assistance-April-2021.pdf>



## American Rescue Plan Pre-Award Guidance

3. Gather the entity's payment information, including:
  - Entity Identification Number (EIN), name, and contact information
  - Name and title of an authorized representative of the entity
  - Financial institution information (e.g., routing and account number, financial institution name and contact information)





## Coronavirus Relief Funds (CRF) - Basics

- Funding to States and Jurisdictions over 500,000
  - NYS - \$5.1 billion
  - NYC - \$1.4 billion
  - Erie - \$160 million
  - Hempstead Town - \$134 million
  - Monroe - \$129 million
  - Nassau - \$103 million
  - Suffolk - \$258 million
  - Westchester - \$169 million



## CRF – Use of Funds

- CRF is different than American Rescue Plan (ARP), but we expect some carryover to ARP
- Are necessary expenditures incurred due to the public health emergency with respect to COVID-19,
- Were not accounted for in the budget most recently approved for the state or local government, and
- Incurred during the March 1, 2020 and December 31, 2021 period (later extended to December 31, 2022)





## CRF – Use of Funds

- Necessary expenditures are further defined addressing medical and public health needs as well as expenditures incurred to respond to second-order effects such as providing economic support for the unemployed or business interruptions or closures. Necessary expenditure would be determined as something *“...reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending the fund.”*



## CRF – Use of Funds

Costs not accounted for in the approved budget means:

- 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 line, allotment, or allocation

**NOTE:** A cost is not considered to have been accounted for in a budget merely because it could be met using budgetary stabilization fund, rainy day fund, or similar reserve account.



## CRF – Use of Funds

- Examples of eligible expenditures for CRF funds
  - **Medical expenses** – at medical facilities, testing & treatment, EMT response, telemedicine, etc.
  - **Public Health** – communication of PH orders, acquiring and distribution of PPE, sanitizing products, disinfecting public spaces, quarantining, food assistance, homeless assistance, etc.
  - **Payroll** - (including hazard pay and OT – this applies to ARP funds as well) and benefits expenses (there may be exceptions with ARP funds to cover benefits, particularly pensions) 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 emergency



## CRF – Use of Funds

- **Payroll (cont.)** - Treasury guidance clarifies that CRF funds be used only to cover costs that were not accounted for in the budget most recently adopted for the covered time period to be met if either:
  - The cost cannot lawfully be funded using a line item, allotment or allocation within that budget, or
  - The cost is for a substantially different use from any expected use of funds in the line item
- **Public Health & Public Safety Special Exception**
  - Treasury provided an “administrative accommodation” for local governments that public health and safety employees meet the substantially dedicated test. CRF may cover “All costs of such employees for services provided March 1, 2020 -- December 31, 2021(2022)?”



## CRF – Use of Funds

- **Economic Support**
  - Grants to small business
  - Local payroll support programs
  - UI benefit costs
- **Examples of Ineligible Costs**
  - Damages covered by insurance
  - Payroll for staff “not substantially dedicated” to COVID costs
  - Anything that has been or will be covered by another federal program
  - Reimbursement for donated items
  - Severance pay
  - Legal settlements
  - ARP adds two more legislatively – pension costs & funding state and local tax cuts – this needs to be defined by Treasury



# Coronavirus Relief Fund

# Federal Relief Bills Enacted

Since the onset of the COVID-19 pandemic the following four major federal relief bills have been enacted to mitigate public health and economic impacts related to the COVID-19 outbreak:

## **Families First Coronavirus Response Act**

The Federal Medical Assistance Percentage (FMAP) was increased by 6.2 percentage points, reducing the County's weekly Medicaid share.

## **Coronavirus Aid, Relief and Economic Security (CARES) Act was enacted on March 27, 2020**

In April 2020, the County received from the federal government, pursuant to the CARES Act, \$168.8 million.

## **The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) contained within the Consolidated Appropriations Act, 2021 was enacted on December 21, 2020.**

In January 2021, the County received \$22.7 million for Emergency Rental Assistance under CRRSAA.

## **The American Rescue Plan Act of 2021 (ARPA) was enacted on March 11, 2021.**

Pursuant to ARPA the County anticipates receiving \$189.1 million in Local Fiscal Recovery Funds. The payment will be made in two equal tranches with the first tranche estimated at \$94.55 million to be paid within 60 days of enactment. The second tranche will be paid to the County not earlier than 12 months after receipt of the first tranche. The funds provided under both tranches must be used for eligible expenses incurred prior to December 31, 2024. In addition, the County anticipates being awarded an additional \$18.4 million in rental assistance under ARPA.



# Administration of the Relief Funds

- Westchester received \$168 million in Coronavirus Relief Funds(CRF)
- Initially the allowable uses and time frame to spend the funds was very limited
  - Initially had to be expended by 12/30/20 (later extended to 12/31/2021)
  - Could not be used for revenue replacement
    - Our biggest budgetary issue at the onset of the pandemic was revenue loss not increased expenses; in fact many of our largest expense categories saw a decline year over year
  - Guidance was constantly evolving thankfully in a way that gave more flexibility, however not knowing what the rules were going to be made it difficult to plan
- Determine who the point person will be in your organization to oversee the relief funds
  - In the case of Westchester it is the Budget Director
  - Has worked out well to have one person in charge of overseeing and coordinating the CRF, as well as other federal relief programs
- Assign sufficient resources to properly administer the funds including the recording keeping, reporting and keeping current on the rules and regulations
  - We hired a senior budget analyst who had the sole responsibility of performing the majority of these functions for all federal relief related to the Coronavirus.
  - You can also consider hiring outside consultants to assist but will still need someone internally to oversee them

# Administration of the Relief Funds

- Put a plan together for how you will spend the funds
  - Balance budgetary relief with additional spending for programmatic initiatives
  - Programmatic initiatives included small business assistance, food distribution, rental assistance and remote learning centers
  - Determine how you will deliver these services, for example, will you utilize existing staff or contract with a not-for-profit
  - The plan should be flexible enough to allow for adjustments as needs change
  - One goal was to maximize all revenue sources including state aid, federal aid, FEMA relief and other federal relief programs aside from CRF funds
    - So did not want to claim reimbursement under the CRF if we had another source of funds to seek reimbursement from
    - No double dipping

# Accounting for CRF Expenses

- Establish how you are going to track your Coronavirus related expenditures
  - At the onset of the pandemic we established special event codes for payroll and special object codes for tracking NPS expenses
    - We tracked both straight time and overtime related to the pandemic
      - All departments were given specific instructions on how to track personal service costs related to the Pandemic
      - If an employee normally performed a certain function was now doing work related to the pandemic and not performing their usual function we claimed that time under CRF
      - If someone could not work due to a need to quarantine and was still being paid we claimed that time under CRF
    - Special object codes were established for materials and supplies and contractual services
      - Any contract or purchase order executed that was COVID related was charged to those special expenditure codes
    - We established special sub-object codes for Vaccine administration costs
      - We intend to claim reimbursement for these costs from FEMA

# Revenue Recognition

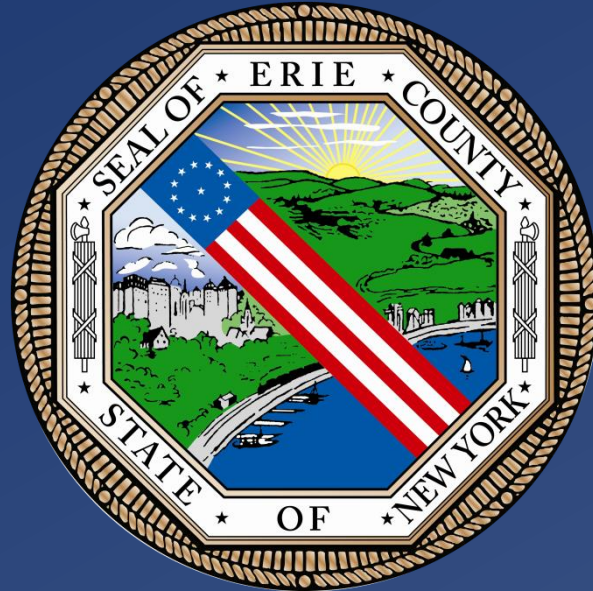
The county received \$168.8 million in CRF funds from the Department of Treasury in April of 2020

- The CRF funds were booked as deferred revenue on our balance sheet upon receipt
- As we identified eligible expenses we recognized an equivalent amount of CRF funds as federal revenue
- All \$168.8 million will be recognized in 2020 as federal revenue

# Reporting to Treasury

- Quarterly reporting in the Grant Solutions Portal
  - Reporting for CRF is done at a high level but you must maintain back-up documents locally.
  - For the CRF, reporting of sub-recipients receiving less than \$50,000 is in the aggregate
  - If you determine later that a payment you reported in a previous period will be funded from a different source you can revise your report in a subsequent reporting period.
    - For example if you are subsequently awarded a grant for that particular expense you can remove that payment from the report in a subsequent reporting period.

# Erie County CRF Experience and Recommendations



Erie County Executive  
Mark Poloncarz

Robert Keating  
Director of Budget & Management

# CRF Award Process

- Treasury web portal used for attestation and application
  - Recipient Name and Address
  - DUNS Number
  - TIN
  - Form letter signed by chief executive
- Same portal used to verify banking information:
  - Routing Transit Number (Wire)
  - Confirm Routing Transit Number (Wire) Expected either Routing Transit Number (ACH) or Routing Transit Number (Wire)
  - Routing Transit Number (ACH)
  - Confirm Routing Transit Number (ACH)
  - Recipient's Account Number
  - Confirm Recipient's Account Number
  - Financial Institution Name
  - Financial Institution Address
  - Financial Institution Telephone Number
- \$160,306,414 awarded on April 23<sup>rd</sup> 2020



# Sequestering the Funding

- Upon declaration of emergency, set up separate fund, “COVID-19 Special Revenue Fund”
- CRF funds placed in COVID fund after wire transfer
- All transactions using CRF funding tie back to COVID-19 Special Revenue Fund
- Benefits:
  - Increased accountability
  - Ease of Reporting
  - No Risk of co-mingling
- Received legislative authorization to adjust budget on the fly
  - Improved flexibility to meet emergency needs
  - Flexibility to need to meeting spending original spending deadline

# Erie County Spending Plan

- Developed process to have relevant departments (Health, Emergency Services, etc.) charge overtime and eventually regular time to COVID fund
- Fluid process
  - As requests from Incident Command System came in, adjusted budget on the fly after reviewing for Treasury compliance
- Grant Programs
  - Virtual Learning Centers
  - Small-business assistance
  - Local Government Aid
  - School Aid

# Subrecipients

- Tried to minimize number of subrecipients by using intermediaries to administer programs
  - Local BOCES
  - Business Incubator
  - Local Tourism Bureau
- All subrecipient contracts
  - Promise to comply with CARES Act
  - Acknowledge responsibility for Federal Single Audit
  - Indemnify the county in the event of a recovery finding

# Federal Guidance

- Congressional language lacked detail
- Treasury FAQs were main guidance document
- Constant updates throughout 2020
- NACO and NYSAC conference calls and webinars with Treasury Officials facilitated detailed follow-up questions
- Separate OIG FAQ and information for reporting and oversight

# Quarterly Reporting

- Detailed reporting on all expenditures of \$50,000 and above
  - Contracts
  - Grants
  - Loans
  - Transfer
  - Direct Pays
- General reporting on aggregate payments below \$50,000 and payments to individuals (employee payments)
- Keep record of DUNS numbers of grantees and vendors

# OIG Oversight

- OIG *will* follow up on any complaints regarding misuse of funds
- May request additional documentation or simply spending in certain categories
- OIG and Grant Solutions helplines are invaluable:
  - (202) 401-5282
  - CARES@oig.treas.gov



**ERIE COUNTY  
LEADS THE WAY**





## **Angela Kohl**

*Special Projects Coordinator for  
the County Executive's Budget  
Office, Federal & State Aid  
Claims Unit*  
**Suffolk County**





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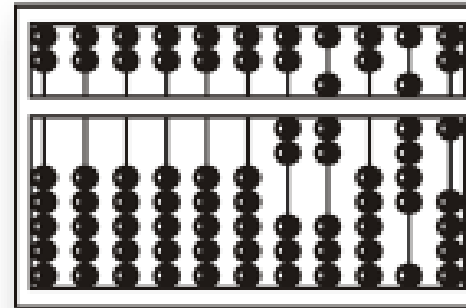
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