CARES Act Dollars - Guidance by Dept. of Finance on Cycle 2 Reporting and Web Portal

October 5, 2020

Welcome and Introductions

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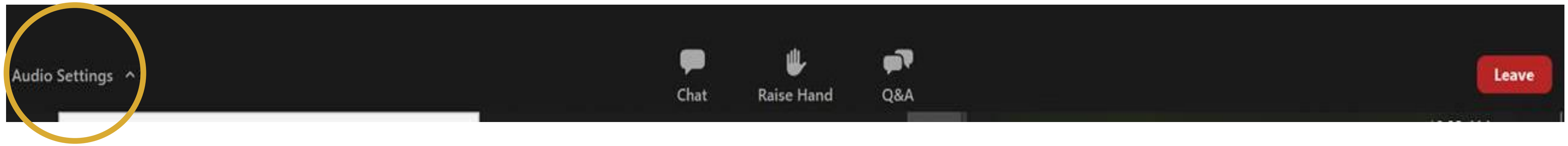
Housekeeping Notes

1. Please make sure your audio is connected. You should have been prompted to connect your audio when joining the webinar, but you can confirm by clicking the audio settings on your tool bar.



2. All attendees have been muted upon entry.

3. This webinar is being recorded.

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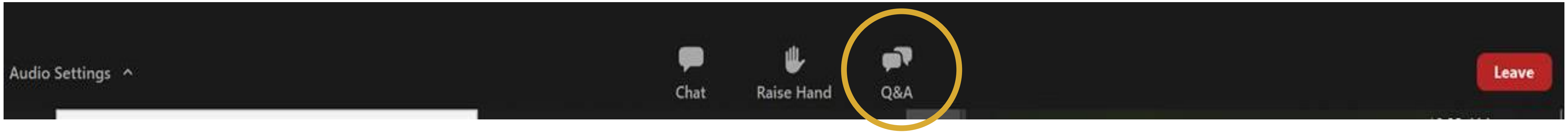

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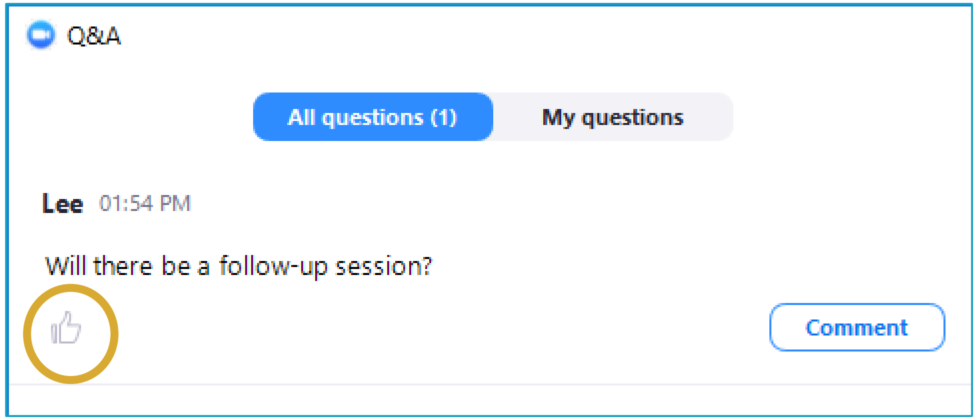

Presenters:

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Principal Program Budget Analyst
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Coronavirus Relief Funds

CARES Act Requirements and Treasury Guidance

Cycle 2 Reporting

October 5, 2020

Objectives

- Overview of Federal CARES Act Requirements, Limitations, and Flexibilities for Coronavirus Relief Funds (CRF)
- Remaining Allocations
- Extensions and Return of Funds
- Reporting for Cycle 2
- User-Defined Categories: Common Errors and FAQs
- Sub-recipient Monitoring
- Questions and Answers

Coronavirus Relief Fund Overview:

Requirements, Limitations, and Flexibilities

CARES Act Requirements

- Necessary expenditures incurred due to the COVID-19 public health emergency.
  - Direct response
  - Second order effects such as economic support
- Not accounted for in the most recently approved budget, **except** COVID-related supplemental appropriations or budget adjustments
- Expenses incurred between March 1, 2020 and December 30, 2020.

CARES Act Limitations

- Funds **<u>cannot</u>** be used to backfill lost revenue
- Cannot be used as non-federal share of Medicaid
- Payroll or benefits for employee duties not "substantially dedicated"
- Workforce bonuses
- Damages covered by insurance
- Assistance to owners to pay property taxes
- Items disallowed in US Treasury FAQs
  - Continue to receive updates (Last one 9/2/20)

CARES Act Flexibilities

- FEMA Match (Stafford Act) - Most recent Treasury guidance notes that CRF may be used to meet the non-federal Stafford Act match

- Public health and public safety are **presumed** to be “substantially dedicated”
  - Payroll records are sufficient documentation
  - Treasury OIG FAQs - For more information, see FAQs 63, 69, 70, and 71

Public Safety Defined

- Police officers, sheriffs and deputy sheriffs
- Firefighters, emergency medical responders (Paramedic and EMT)
- Correctional and detention offices
- Direct support of public safety staff above:
  - Dispatchers
  - Supervisors

Public Health Defined

- Public health department employees directly engaged in public health matters
- Employees providing medical or other health services to patients
- Medical staff assigned to schools, prisons, and other such institutions
- Support services essential for patient care (e.g., laboratory technicians)
- Supervisors of the above employees

Administrative Convenience = Flexibility

- No documentation of the *work being performed* if public health and public safety staff
- CARES Act does not allow backfill of lost revenue – the “administrative convenience” provides a tool to assume that these staff could be paid for by the CRF, potentially freeing up general purpose funds (or offsetting lower receipts)
- *Actual* payroll and benefits (including pension costs) can be paid by CRF – Must keep payroll records

Remaining Allocations

Disbursement Dates (Half CRF Allocation)

- July 30
- August 24
- September 17

Final Allocation Process/Timing

- Finance will receive input today from Dept. of Public Health and CalOES to verify compliance
- State will issue claim schedule to SCO by Oct. 7th
  - $650M to Counties
  - $250M to Cities
- Survey will not affect payment schedule
- Supplemental information required for:
  - No report received
  - Projection below allocation amount

Extensions and Return of Funds

- CARES Act requires expenditure (incurred/good received or service provided) by December 30, 2020
- Allows for liquidation period (90-days)
- State's goal = No funds returned to Treasury
- Certification requires unspent funds be returned by October 30th UNLESS granted an extension by Finance
- Decisions will be shared no later than October 23

Cycle 2 Reporting

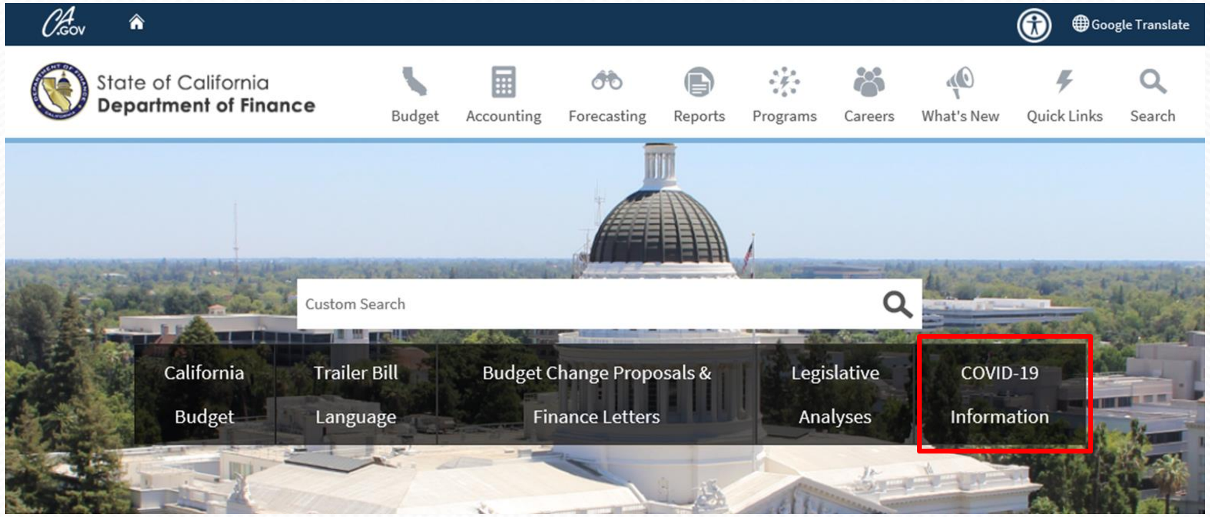
- Correcting Technical Errors
- Adjustments to Prior Cycles
- Expenditures between 7/1/2020-9/30/2020
- Remaining Obligations (lump sum)

Need a new registered user?

- Original user is no longer the appropriate person to complete reporting; you **must** register a new user 1st, then contact Finance to migrate Cycle 1 data
- User Guide 2.0 has information on how complete this process
- To have access to the portal tomorrow, you **must** to this TODAY

Reporting Portal – Cycle 2

- CRF Reporting Portal – will be live October 6th
- **Cycle 2 Reports Due:** October 12th
- Updated User Guide
  - DOF COVID – 19 Web Pages



Coronavirus Relief Fund Reporting Portal

Recipients and sub-recipients of Coronavirus Relief Fund (CRF) allocations and appropriations are required to use this reporting portal to support detailed federal reporting.

Portal

CRF Quarterly Reporting Portal

The CRF reporting portal is closed for Cycle 1. The system will reopen for Cycle 2 reporting on October 6. All reports are due on October 12, 2020.

Guide

User Guide (.pdf)

This guide provides instructions for quarterly reporting, an overview of reporting categories, and definitions for consistent state reporting. If additional federal guidance is received, changes may be necessary. For details on federal requirements and guidance refer to the U.S. Treasury CRF Website for additional information.

Frequently Asked Questions (.pdf) - (updated 9/3/2020)

Help

Help Desk

If you have problems accessing the portal or questions regarding reporting requirements, please contact the CRFReportHelpDesk@dof.ca.gov (email)

Before contacting the help desk regarding a log-in problem, please follow the steps outlined in the Frequently Asked Questions for Login Process document.

- Frequently Asked Questions for Login Process (.pdf)

Due

Due Dates

Below is a summary of the reporting cycles, the periods covered in each report, dates reports are due to Finance, and when this data will be reported to the U.S. Treasury, Office of the Inspector General. Reporting is cumulative, therefore, if changes to a prior report are necessary, they must be incrementally reported in the next reporting cycle. Data reported to the U.S. Treasury will be provided to the Pandemic Response Accountability Committee.

Portal – User Guide – Help – Due Dates

Correcting Technical Errors

- DUNS rejected by GrantSolutions
- Project ID
  - For Counties – 10100
  - For Cities – 10200
- Transfer Type/Transfer Date
  - Advanced Transfer - (expenditures can occur prior to the transfer date)
  - July 31, 2020

Correcting Technical Errors

- Remove Unused User Defined Categories
(some non-CRF activities left over – Cycle 1)
- Check Allocation Amount
- Many off by $1 last cycle or were rounded to thousands – Finance notified those that were over
- Rounding – To prevent aggregated rounding issues, the portal now allows only whole dollars (no cents)
- Note: Zip Code +4 now required (95814-____)

NEW: Reporting Obligations

- What are Obligations?
  - Commitment of funds outlined in an agreement such as a contract, grant, purchase order, or requisition related to a good or service.
- The OIG is not collecting category details on obligations of CRF funds that have not yet been liquidated
- Report remaining obligations as of 9-30-20 on the top, right side of the Part C screen, under ‘Total Remaining Obligations’ in one lump sum.

New Reporting Schedule

- Federal reporting portal: labor-intensive
- State approved for upload process, with 35 other prime recipients
- Continue to follow federal publication schedule

Reporting Cycle	Reporting Period	Recipients Report Due to Finance	State Report Due to US Treasury	Posted on Finance Website/PRAC
Cycle 1	3/1-6/30/2020	9/4/2020	See below	9/30/2020
Cycle 2	7/1-9/30/2020	10/12/2020	See below	10/21/2020
Cycle 1/2	3/1-9/30/2020	10/12/2020	12/15/2020*	12/24/2020
Cycle 3	10/1-12/31/2020	1/6/2021	1/11/2021	1/21/2021
Cycle 4	1/1-3/31/2021	4/7/2021	4/12/2021	4/21/2021
Cycle 5	4/1-6/30/2021	7/7/2021	7/12/2021	7/21/2021
Cycle 6	7/1-9/30/2021	10/6/2021	10/12/2021	10/21/2021

*Combined reporting using recently approved upload process authorized by U.S. Treasury.

User-Defined Categories

- Common Errors
- More FAQs

Expenditures in User-Defined Categories Should be RARE

- Use ONLY if the expenditures cannot be categorized in the federally-defined categories
- For Cycle 1, most user-defined categories could have been reported under a federally-defined category
- Must be revised for Cycle 2

Let's take a look at some examples from Cycle 1…

Move to Public Health…

- Changes to City Procedures
- Cleaning Supplies, Disinfection, or Deep Cleaning
- Emergency Operations (support/supplies)
- FMLA/Paid Sick/Paid Family Leave
- Hotels for Essential Health Care Workers
- Upgrades to Cashiering (touchless, plexiglass, etc.)
- Attorney to create COVID-Related Ordinances
- Park Closure Materials
- Partitions (e.g., Cubicle Panel orPlexiglass)
- Preventative Expenses
- Public Safety - if preventative measures for public
- Public Safety Announcements, Messages, Videos, Signs
- Thermometer Expenses

…and in Other Categories

User-Defined Expense:	Belongs in Category:
Overtime Related to COVID Payroll Non Safety Employees	B. Staff Substantially Dedicated to COVID
Property Acquisition (Homeless) Hotel or Temporary Shelter – Individuals	H. Housing Support
Alternate Care Site	J. Medical
Emergency Response Public Safety	L. Public Health/Safety Staff
Masks, Other Personal Protective Equipment (PPE)	M. Personal Protective Equipment

Too Vague:

- Facilities Management
- Food for Employees
- Mileage
- Special Department Expense
- Other

Not Allowed:

- Indirect costs
- FEMA Match (must detail in category A-Q)

What Belongs in User-Defined?

- Legal/Attorney (may depend on activity)
- Crisis Counseling, Behavioral Health, Mental Health Services

What if my CRF is Fully Spent?

- If your entity reported its CRF allocation fully spent (no remaining obligations), you will be required to report through this portal for one additional cycle.

Note: If there are any changes to the expenditures, you will need to resume reporting.

Monitoring/Oversight/Audit

- Funds are subject to the Single Audit Act
- Must follow Uniform Guidance regarding sub-recipient monitoring
- Finance will begin monitoring beginning in November; may use technology given social distancing orders and state travel limitations
- Sub-recipients must submit summary of findings from Single Audit or other audits of State-Directed CRF, including from the Treasury OIG, to Finance

Records Retention

- Retain records 5 years **after** final payment is made; make available on request for audits/monitoring
- All documents and financial records sufficient to establish compliance: (1) Necessary, (2) Not in recent budget, (3) Incurred 3/1/20 – 12/30/20
  - General ledger, subsidiary ledger
  - Budget records 2019 and 2020
  - Payroll and time keeping records
  - Receipts of purchases
  - Contracts and subcontracts, including any performance outcomes
  - Documentation of reports, audits, monitoring of recipients
  - All CRF internal and external e-mail/electronic communications

Questions/Follow-Up

Federal Reporting/Research Unit:
CRFHelpDesk@dof.ca.gov

GF Realignment Backfill/County Monthly Certifications
Due on the 1st of each month:
CountyGFAllocations@dof.ca.gov

US Treasury/OIG CRF Information:
https://home.treasury.gov/policy-issues/cares/state-and-local-governments

Questions?

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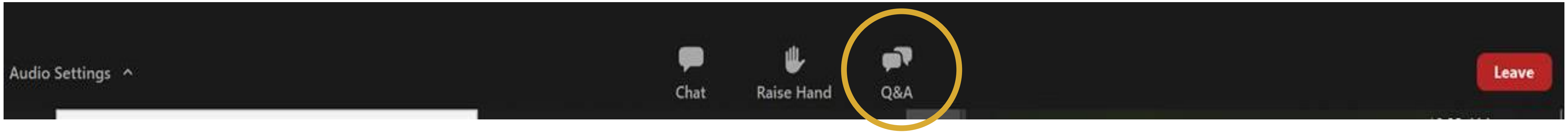

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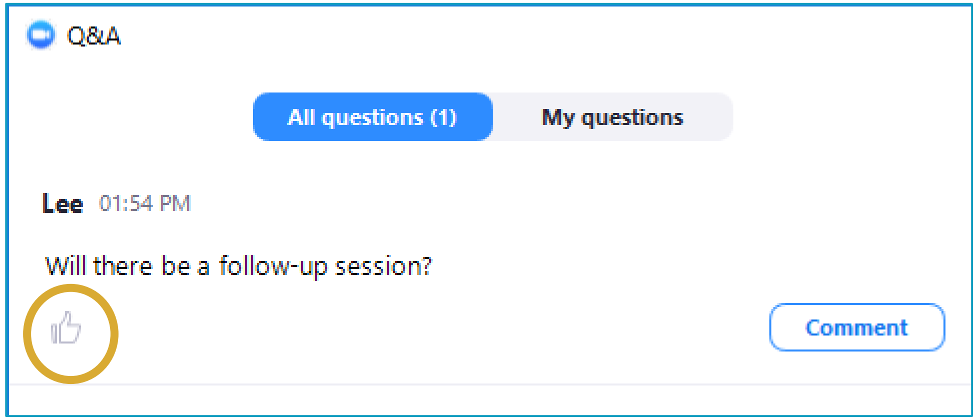

Final Thoughts

Find past webinar recordings at www.cacities.org/coronavirus

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