



# FMAC BRIEF ON COVID19

CRF – CORONAVIRUS RELIEF FUND ALLOWABLE/UNALLOWABLE PAYMENTS

# NORMAL GRANT VS CRF GRANT

- Normal: Complete grant application with uses, get award with rules/restrictions, request funding on specific date, comply with reporting requirements
- CRF: Submit application (name, id #, bank account), get email that submission was received, without notice \$1 billion shows up, without notice another \$1 billion shows up, monitor a website for the rules/restrictions that change every 2-3 weeks, uncertain what reporting requirements are 2 months after \$

# REGULATIONS US TREASURY

- Technically, there are no regulations, only a set of FAQs available at:
  - <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>
  - FAQs are updated every 2-3 weeks. We are expecting another round of FAQ updates around or about June 24, 2020.
  - Still appears to not allow any revenue replacement to GR although there continues to be conversations at federal level.

# UPDATED MEMOS

- As the guidance changes and changes back, we are issuing memos and posting to : <https://samii.mo.gov/fin/bulletins>
- We are planning to be as flexible as possible regarding deadlines given all the uncertainty however, we all need to get FY20 financial and HR records corrected as soon as possible because July 31, is rapidly approaching.

# SINGLE AUDIT

- May 28<sup>th</sup> FAQs made it clear that CRF is subject to single audit, sub recipient reporting/monitoring, and OMB internal control regulations.
- OA is the grantee for the award. OA will include the \$2.083 billion in the SEFA. OA is keeping all documentation to be able to support the bills and will continue to request documentation. If your department is allowed to charge payroll, please continue to maintain records such as timesheets should they be needed.

# BASIC GUIDANCE

- All money spent March 1, 2020 – December 30, 2020
- Prepayment of bills is not allowed (FAQ on 2 year lease)
- Eligible costs **CANNOT** be in the most recent budget (we can pay for the increased charge not base charge)
- Unallowable costs will be paid back from GR in the future.
- \$520 million has been sent to the counties.
- FAQs are generally getting more restrictive over time (examples later)

# ACCOUNTABILITY PORTAL UPDATES

Data to Excel

<u>Date</u>	<u>Object Description</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>
06/23/2020	TEMPORARY PERSONNEL SERVICES	TEMPORARY MEDICAL STAFFING	AB STAFFING SOLUTIONS	\$2,015.00
06/23/2020	CUSTODIAL SUPPLIES	COVID-19 SANITIZER JM/JN	FASTENAL COMPANY	\$100.00
06/23/2020	OTHER SPECIFIC USE SUPPLIES	COVID-19 GLOVES	FISHER SCIENTIFIC LLC	\$100.05
06/23/2020	TEMPORARY PERSONNEL SERVICES	COVID-19TEMP STAF	GUARDIAN HEALTHCARE PROVIDERS	\$24,912.25
06/23/2020	TEMPORARY PERSONNEL SERVICES	TEMPORARY MEDICAL STAFFING	GUARDIAN HEALTHCARE PROVIDERS	\$6,817.50
06/23/2020	MEDICAL & DENTAL SUPPLIES	COVID-19 FACE MASK	MISSOURI VOCATIONAL	\$80.00
06/23/2020	MEDICAL & DENTAL SUPPLIES	COVID-19 FACEMASK	MISSOURI VOCATIONAL	\$34,326.40
06/23/2020	MEDICAL & DENTAL SUPPLIES	COVID-19 ISOLATION GOWNS	MISSOURI VOCATIONAL	\$2,592.00
06/23/2020	MINOR REPAIR, MAINT & IMPROVEMENT SERV	O20COVD GNPO Z552	RELIABLE PRODUCTS CORPORATION	\$2,853.57
06/23/2020	MINOR REPAIR, MAINT & IMPROVEMENT SERV	O20COVD GNPO Z553	RELIABLE PRODUCTS CORPORATION	\$4,289.87
06/23/2020	RECREATIONAL SUPPLIES	COVID-19 ACTIVITIES FOR RES	S&S WORLDWIDE	\$881.43
06/23/2020	COMPUTER EQUIPMENT	COVID 19 IPAD	SHI INTERNATIONAL CORP	\$1,944.00
06/23/2020	COMPUTER EQUIPMENT	COVID 19 IPADS	SHI INTERNATIONAL CORP	\$48,276.00



# CHANGING FAQs – EX. DISTRIBUTION LOCALS

- **QUESTION:** Can recipients of CRF distribute to subrecipients (Local Gov't like counties)
  - April 22 FAQ, silent as to ability to pass through to polysub
  - May 4 FAQ, yes, provided the transfer of funds qualifies as a necessary expenditure due to the public health emergency
  - May 28<sup>th</sup> FAQ, yes, provided the transfer of funds qualifies as a necessary expenditure due to the public health emergency, the State should distribute 45% of the fund received.



# CHANGING FAQs – EX. BROADBAND

- April 22 FAQs – allowable costs include expenses to facilitate distance learning and telework capabilities including technology improvements.
- May 4 FAQs – silent
- May 28<sup>th</sup> FAQs – Is it allowable to expand rural broadband capacity to improve distance work and telework capabilities? Yes, only if it impacts THIS public health emergency (PHE). If the project can't increase capacity to a significant extent THIS PHE, it is unallowable.

# CHANGING FAQs - SALARIES

- April 22 original guidance – necessary expenditures not accounted for in most recent budget or substantially different. Public safety, public health, healthcare, human services and similar employees substantially dedicated to mitigating or responding to COVID19.
- May 4 and May 28 FAQs – questions about what qualifies as substantially different. TAKE AWAY: Guidance leans toward direct care staff and those whose jobs have significantly changed

## MORE ON SALARIES

- CRF is not like any other federal grant as we discussed at the beginning. Working on grant activities doesn't necessarily count – were you in the most recent budget?
- A lawyer or accountant or a director working on covid related items is likely not substantially different – they are still providing legal advice, tracking expenses, or working as a department head to solve problems.

# CRF REPORTING REQUIREMENTS

- CRF reporting requirements are currently unclear.
- There has been a disagreement between US Treasury and OIG
- We are expecting new guidance to come out as soon as June 24<sup>th</sup>
- We are expecting quarterly reporting more similar to ARRA than current FFATA grant requirements – granular data on who, when, amount, etc not just the amount of the award.

# REPORTING CONTINUED

- We are expecting at first centralized reporting requirements followed by decentral reporting requirements for subrecipient reporting.
- We want to **STRONGLY** encourage reimbursement type reporting to limit the number of subrecipients.
- We already have \$520 million distributed to counties and the City of St. Louis

# CAFR/SEFA REPORTING

- If your department is receiving donated items from the federal government or any source, be sure to report that donation to CAFR even if it is just a pass through to another entity. CAFR must record a revenue/expense and inventory if applicable. Can be material.
- If your department is receiving donated items from the federal government, the value must be reported on the SEFA. PPE, ventilators, thermometers, medicine, etc.

# PCARD PAYMENTS AND CRF

- Important that the department process the Pcard payment first and seek reimbursement
  - The document number is part of the key UMB uses to apply payments
  - Not responding to unapplied payments quickly can result in disruption in card availability



The image features a blue gradient background with white circuit-like lines in the corners. These lines consist of straight paths that branch out and terminate in small circles, resembling a stylized PCB or network diagram. The lines are most prominent in the top-left and bottom-left corners, with some extending into the top-right and bottom-right corners.

QUESTIONS?