

Coronavirus Relief Funds

CARES Act Requirements and Treasury Guidance
Finance Process Overview



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.

Six Expenditure Categories

1 – Medical Expenses

- Treatment of COVID-19 and related expenses in public hospitals or clinics
- Temporary medical facilities
- Testing, including serological/anti-body testing
- Emergency medical response, including emergency medical transportation
- Establishing and operating public telemedicine capabilities

Six Expenditure Categories

2 – Public Health Expenses

- Communication/enforcement-public health orders
- Acquisition and distribution of medical and protective supplies (PPE/cleaning supplies) for various public health and safety staff
- Disinfection of public areas and other facilities
- Technical assistance on mitigation
- Public safety measures in response to COVID-19
- Quarantining individuals

Six Expenditure Categories

3 – Substantially Dedicated Payroll Expenses

- Includes: public safety, public health, health care, human services, and similar employees
- Public health and public safety are presumed to be “substantially dedicated”
- Provide ready funding to address unforeseen financial needs and risks created by COVID-19
- For employees in these area “administrative convenience” that underlying assumption that they are all deemed “substantially dedicated”

Six Expenditure Categories

4 – Comply with Public Health Measures and Mitigate the Effects of COVID-19:

- Food delivery to seniors and vulnerable populations
- Telework capabilities for public employees
- Providing paid sick, paid family and medical leave to public employees
- Maintaining county jails such as sanitation and improvement of social distancing measures
- Caring for homeless

Six Expenditure Categories

5 – Economic Support

- Grants to small businesses for costs of business interruption
- Grant or financial assistance –payment of overdue rent/mortgage to avoid eviction or funeral expense
- Payroll support program
- Unemployment insurance (UI) costs if those costs are not reimbursed by federal government –generally applies to local governments using “reimbursement method” to finance UI

Six Expenditure Categories

6 – Other

- Any other COVID-19 expenses “reasonably necessary” to the function of government that satisfies the broader eligibility criteria:
 - Hazard pay and overtime if substantially dedicated
 - Increased workers compensation costs due to COVID
 - Leases renewed solely to respond to COVID-19
 - Public health emergency recovery planning
 - Support for private hospitals (grant/short-term loan)
 - Enrollment in government benefit programs

CARES Act Limitations

- Funds cannot 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 7/8/20)

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Questions?