AIC CARES Act Funding
Video Podcast
5.18.2020
Coronavirus Aid, Relief, and Economic Security Act
“CARES Act”

• CARES Act was signed into law by President Trump on March 27

• CARES Act is not intended to and cannot be used to replace a decline in taxes/fees resulting from the slowing economy

• The money is to replace unexpected expenditures a unit has spent directly to combat COVID-19
This presentation is not legal advice
Guidance from federal and state agencies may continue to change
Thank you for your leadership and rising to meet this unprecedented challenge

We want to thank all our members for the information they have shared with us. Information you have provided has been shared with our members, US Senators, Governor Holcomb’s administration, Secretary of State Lawson, Wes Bennet at DLGF, Paul Joyce at SBOA, Luke Britt PAC, NACo and others

Your information has influenced Executive Orders, state agency directives and federal legislation
CARES Act = Various Buckets of Money

- Various federal agencies received CARES Act money and have been distributing it through state agencies including Office of Community and Rural Affairs (OCRA), Indiana Criminal Justice Institute (CJI), Family and Social Services Agency (FSSA), Indiana State Department of Health (ISDH), Office of Management and Budget (OMB) and others.
- Some communities received direct CARES Act funding through U.S. Department of Treasury. Some local units qualified for direct funding through Community Development Block Grants (CBDG).
- Most notably, Indianapolis/Marion County qualified for an automatic distribution (estimated $168 million) from CARES Act because their population is over 500,000 people.
CARES Act Multiple Buckets of Money

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<tr>
<th>US TREASURY</th>
<th>DHS/FEMA</th>
<th>DHS - EMERGENCY MANAGEMENT PLANNING GRANTS</th>
<th>HHS PROVIDER RELIEF FUND</th>
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<td>U.S. Treasury Coronavirus Relief Fund Fixed allocation to State and Local Governments for increased costs incurred preparing for, protecting against or treating COVID-19 virus</td>
<td>Funding provided by FEMA to eligible governments, institutions or organizations for emergency protective measures related to COVID-19</td>
<td>Planning Grants available to State, local governments to help plan for respond to emergency or disaster events</td>
<td>Fixed allocation to eligible FFR Medicaid providers to offset the incurred cost of treating under or uninsured COVID-19 patients</td>
<td>Supplemental appropriations to existing Health &amp; Human Services Programs, specifically social services, senior care and childcare</td>
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<td>STATE OMB</td>
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| IDHS | EMERGENCY OPERATIONS, POLICE, FIRE, CORRECTIONS, TRANSIT AND PUBLIC WORKS, EDUCATION, LOCAL HOSPITALS, HOUSING, SOCIAL SERVICES, UTILITIES, MANAGEMENT, PLANNING AND COMMUNITY DEVELOPMENT |
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| LOCAL HOSPITALS, HOUSING AND SOCIAL SERVICES |
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### CARES Act Multiple Buckets of Money

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<th>HUD</th>
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<tr>
<td>Supplemental appropriation to CDC to offset costs associated with testing, vaccine development and pandemic tracing costs ISDH</td>
<td>Supplemental appropriation to HUD entitlement grantees, specifically housing support, and supporting homeless and AIDS populations IHCDA and OCRA (Community Development Block Grant)</td>
<td>Supplemental grant opportunity to Law Enforcement, Corrections and Public Safety departments for COVID-19 response ICJ</td>
<td>Nutrition assistance programs for income limited households; funding to mitigate against supply chain disruptions because of COVID-19 DOE (School Lunch), FSSA (The rest)</td>
<td>Supplemental appropriation for FTA grantees to offset incurred costs associated with preparing for or protecting against spread of COVID-19 INDOT</td>
<td>Additional grant opportunities for insular areas, specifically to support increased management and planning associated with COVID-19</td>
<td>Supplemental appropriation to existing DOE grantees specifically to address increased cost burdens associated with COVID-19 response STATE DOE</td>
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| EMERGENCY OPERATIONS, LOCAL HOSPITALS, HOUSING AND SOCIAL SERVICES | EDUCATION, LOCAL HOSPITALS, HOUSING AND SOCIAL SERVICES, PLANNING AND COMMUNITY DEVELOPMENT | EMERGENCY OPERATIONS, POLICE, FIRE AND CORRECTIONS | EDUCATION, HOUSING AND SOCIAL SERVICES, PLANNING AND COMMUNITY DEVELOPMENT | TRANSIT AND PUBLIC WORKS, EDUCATION, PUBLIC UTILITIES | EMERGENCY OPERATIONS, TRANSIT AND PUBLIC WORKS, LOCAL HOSPITALS, UTILITIES, MANAGEMENT, PLANNING AND COMMUNITY DEVELOPMENT | EDUCATION |
Indiana’s Share of Non-Program CARES Funding = Estimated $2.4 Billion

- Governor Holcomb created a task force created to make recommendations to OMB on how to spend the money
- CARES Act does not require the state to share the money with locals but the task force recommended $300 million for locals (excluding Indianapolis/Marion County)
- Allowable expense guidelines have been provided by US Treasury in two separate documents - CARES Act Guidance document from April 22 and the Frequently Asked Questions document from May 4
- In addition to the US Treasury guidance, a detailed list of eligible expenses for this reimbursement program can be found on the Indiana Finance Authority (IFA) webpage
Information about novel coronavirus (COVID-19)
Get the latest information about coronavirus and the Indiana Department of Health preparations here - coronavirus.in.gov

See What IFA Can Do For Your Business or Community
Click here to read more

About IFA
Acceptance Certification of Chief Executive Officer

Coronavirus Relief Fund Acceptance Certification
The CARES Act requires that the payments from the Coronavirus Relief Fund only be used to cover expenses 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 (the 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
Allowable Expenditures Generally

- As previously mentioned, reference US Treasury Guidance and FAQ
- State guideline is slightly more restrictive than US Treasury Guidelines relating to payroll expenses
- Overtime and unexpected COVID-19 related expenses for health departments, emergency management, police, corrections, 911, coroner expenses
- Some IT equipment such as software for VPN connections, public meetings
- Personal Protection Equipment (PPE)
  - Masks/face coverings
  - Cleaning supplies
  - Plexiglass
Initial Guidance Under State CARES Act – Slightly More Restrictive

- Assistance/grants for individuals or non-governmental organizations is limited to PPE for small businesses.
- Public safety/health payroll costs only covered for those who are substantially dedicated to mitigating or responding to the COVID-19. No presumption that they are covered like Treasury.
- Expenses related to sick/medical/FMLA leave is not covered.
- Budgeted costs that are used for “substantially different uses” are not covered.
County Share of Non-Program Dedicated CARES Act

• Approximately $180 Million for counties and related entities
• President of the board of commissioners signs the agreement with the Indiana Finance Authority (IFA)
• Money is to be used as reimbursement of expenditures for combating COVID-19
• Examples include, but are not limited to, unbudgeted expenses for emergency operations, police, fire, corrections, transit and public works, local hospitals, social services, planning and community development, assistance to businesses interrupted by the pandemic
Entities That Can Apply Through the County Executive

- Any county office, agency, department
- Court personnel, public defenders, prosecutors, county employees, probation
- Community corrections
- Townships
- Small businesses in need of PPE (limited initially to PPE)
- The county is not required to submit claims on behalf of any entity
- County should require receipts for all reimbursement requests
Townships

- Townships should first be encouraged to apply for funding that is part of the Coronavirus Aid Relief and Economic Security (CARES) Act through FEMA Assistance for Firefighters Grant Program (AFGP). The online AFG-S Grant Program application is available through the AFGP FEMA Grants Outcomes (GO) application portal.

- FEMA also announced on Friday May 15 the Staffing for Adequate Fire and Emergency Response (SAFER) Grants is 100% reimbursable, no 25% local match is required for the SAFER Grant. Questions can be directed to firegrants@fema.dhs.gov
PPE for Small Business

- Encourage business with less than 150 employees to try to purchase PPE through the state’s [https://backontrack.in.gov/ppemarketplace.htm](https://backontrack.in.gov/ppemarketplace.htm)
- If the county does want to help small businesses, should the county purchase the PPE for the business? Or, should the county accept the receipt from the small business and turn the receipt into IFA?
- Potential public sector purchase of PPE visit [OMNIA Partners/US Communities](https://www.omniapartners.com/publicsector/resources/covid-19)
CARES Act Local Process - See SBOA April 29 Memo

- A separate fund should be established for each separately identified assistance provided and have the title COVID in the fund.

- In anticipation of several separate funds being necessary, the following fund numbering system should be followed: Counties: 8901-8925

- What fund do we deposit the CARES Act reimbursement fund from IFA? Assistance provided as a result of a national or state disaster or emergency should be receipted into a separate fund. The Indiana State Board of Accounts will not take audit exception to establishing such a fund(s) without the adoption of an ordinance.
Fund Process

• Create a COVID fund for each grant
• Receipt the reimbursement into the COVID grant fund
• Make journal entry changing the original expenditure to an expenditure in the COVID Fund
• The COVID fund will then have a zero cash balance and the original funds balances will increase by that amount.
CARES Act Local Fund Process
See SBOA April 29 Memo

• Is it a requirement that the CARES Act money be appropriated by the fiscal body? No, the executive of the unit applies for the reimbursement and reimburses the fund used to purchase the emergency need.

• Will the county receive their allotment in one lump sum? No, this is a reimbursement program. Counties will receive reimbursement for eligible expenses submitted to the IFA.
What fund do we deposit the CARES Act reimbursement fund from IFA?

The expenditure from the general fund should be corrected by reversing the allowable disbursement within the category of supplies. This posting correction will reinstate the fund balance and re-appropriate the general fund in a similar manner to IC 6-1.1-18-9(1) for those disbursements. This posting correction should be done in the same budget year that the original transaction was posted.
Once the disbursement is corrected and reversed within the general fund, it should be posted as a disbursement in the appropriate COVID grant fund. Documentation must be maintained for this correction so the audit trail can be followed. The accounting system must tie the original claim for the general fund disbursement to the COVID grant fund by specific reference or notation in a comment section. These procedures should be used only for allowable disbursements made prior to receiving the grant. All other allowable disbursements should be disbursed directly from the appropriate COVID related grant fund.
CARES vs. FEMA Allowable Expenditures Generally

- CARES Act Purchases from March 1 through December 30
- FEMA expenses from January 20 – the end of the emergency declaration
CARES vs. FEMA Plan Strategically – Consider All Funding Options

- CARES Act does not require a local match
- Many, if not all of the items that can be reimbursed through CARES Act, can alternatively be reimbursed through FEMA
- FEMA requires a 25% local match
- Some PPE is being purchased by the state and distributed through county health departments
- Election PPE is being purchased by SOS Lawson’s office. Additional COVID-19 related expenses can be submitted to SOS. Application for reimbursement is being developed.
FEMA

• Your EMA director should be surveying and collecting expenses for all the units in your county.

• Deadline to file for Public Assistance application under FEMA is May 30

• Not all expenses are required to be turned into FEMA by May 30 – ongoing emergency

• Consult your EMA director to make your account has been established
FAQs

• Can CARES Act money be used as the local match for FEMA? At this time no, but the federal government has been asked for considering the option.

• For CARES Act money should claims be bundled? Or submitted for each expense? SBOA Examiner Paul Joyce suggested separate submittals to make sure your easily determinable payments are reimbursed, but other more questionable expenses may delay payments.
FAQs

• If the county hires a consultants or technical assistant to help with identifying grants or reimbursement programs, is the consultants fee reimbursable from CARES Act or FEMA? Treasury has not provided guidance on administrative costs being reimbursed from CARES Act. At this time administrative costs, such as a consultant, are not covered through CARES Act. FEMA allows reasonable reimbursement.
FAQs

• How long will a county’s CARES Act allocation be available? Through the end of the calendar year. Congress or the state may make further relief available or change reimbursement rules around allowable expenses. Per Treasury Guidance May 4, Page 6 unspent funds will be returned to Treasury. State OMB has not commented on local government unused funds at this time.

• Does each unit submit its own claims to the state for the CARES Act? Counties, cities/towns will submit their own claims, and claims for any unit that was created by a county, city or town. If a library was created by the county, the request from the library could be submitted by county. A county is not required to submit claims. County Commissioners can use discretion on which claims to submit.
FAQs State CARES Act

• How will payroll for re-purposed workers be considered?
  Public safety/health payroll costs only covered for those who are substantially dedicated to mitigating or responding to the COVID-19. **No presumption** that they are covered like Treasury. Document what payroll is spent when employees are repurposed for activity related specifically to COVID response. Further guidance has been sought to determine if benefits, etc. are counted for time spent on repurposed activity.

• Does a county have to pay for budgeted overtime before the personnel costs are reimbursable? Any payroll for personnel that have been “repurposed” for COVID related duties is reimbursable under the cares act. Once repurposed for COVID related duties the budget or related overtime associated with the budget do not come into play.
FAQs

• What is the beginning date for expenses that can be applicable to CARES Act for reimbursement?

Expenses eligible under CARES Act reimbursement must be incurred after March 1, 2020. However, other funding sources such as FEMA may be dated back to earlier phases of the response, January 20.

• How will payroll for re-purposed workers be considered?

Document what payroll is spent when employees are repurposed for activity related specifically to COVID response. Payroll and benefits are referenced in Treasury Guidance, May 4 Page 3.
The courts and the clerk plan to rent a facility to provide a large meeting space for jury selection for two murder trials and for poll worker training classes, respectively. Their position is that the rooms that are normally used are not large enough to provide adequate physical distancing for the number of people in attendance. Would this be reimbursable from CARES Act and or FEMA? US Treasury CARES Act guidance May 4, page 6 “If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects. However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.”
PROPOSED Health and Economic Recovery Omnibus Emergency Solutions Act (HEROES)

• Proposes to make a direct distribution to all counties for revenue replacement, with distribution based on population
• Proposes to allow CARES Act money to be spent as revenue replacement, but state may be able to determine if the federal legislation is enacted
• Proposes to waive the 25% local match for FEMA
• Proposes to have inmates to become Medicaid eligible 30 days prior to release from a county jail
• Passed US House of Representatives on 5-15-2020, waiting Senate consideration.
Association of Indiana Counties
Serving county officials so they can better serve taxpayers.

Make Sure You Are Signed Up For Resources
Inspiring Work

We at AIC are inspired by the work you have done to serve your communities and accept this challenge

Please let us know what we can do to be of assistance

*Serving county officials so they can better serve taxpayers*