

## Kane County Coronavirus Relief Fund

### Frequently Asked Questions (FAQ) – Other Units of Government

Kane County hosted a webinar on September 1, 2020 for other units of government who will receive awards under the Coronavirus Relief Fund, which reimburses eligible expenses that are necessary to and specific to the entity's COVID-19 response between March 1, 2020 and December 30, 2020. Following is a summary of questions submitted in advance or posted during the September 1, 2020 webinar and Kane County's responses. Questions and answers are categorized by topic:

1. Allocations, Application and Budget
2. Eligible Expenses and Procurement
3. Payroll
4. Processes and Timeline
5. FEMA and CRF Funding

This "frequently asked questions" (FAQ) document will continue to be updated throughout the CRF program and will be available on the county's Coronavirus Relief Fund webpage: <https://www.countyofkane.org/crf>.

#### **Allocations, Application and Budget**

1. **Q:** If a unit of government spans more than one county, how will that unit of government get reimbursed under the Kane County CRF program?

**A:** If a unit of government spans more than one county, the reimbursable expenses will be prorated by address within Kane County.

2. **Q:** Is a resolution from our Boards needed to apply? We passed a resolution authorizing our Board President to act on behalf of our Board during pandemic or health threat. Will a resolution signed by our President suffice?

**A:** To apply for the funding, a resolution is not required. However, it is required when entering into the IGA.

3. **Q:** Is there a set amount per fire district or how are the funds distributed per district.

**A:** Fire Districts may apply from a general pool in the total amount of \$1,350,000.

4. **Q:** What is the best way to ensure that we are on your email contact list?

**A:** When you have acknowledged your award, you must designate a point of contact for the life of application.

5. **Q:** Can applicants add additional rows in applications and/or reimbursement request spreadsheets if we plan to request reimbursement for more items than space allows?

**A:** Yes. If applicants need additional rows added to the Excel Spreadsheet, the form is editable so that additional rows can be inserted. All calculations and formulas should recognize and calculate correctly the additional rows. However, please check the calculation of the total amount requested on the Summary Tab is a true sum of the total amount listed on each tab for the expense types.

6. **Q:** Is a System for Award Management (SAM) number required to submit the application?

**A:** No, a SAM number is not required.

7. **Q:** Should the box requiring a description of the of expenditures on the Application include all incurred and planned expenses from March through December?

**A:** Please describe all the expense types (i.e., payroll, commodities, contractual services, other) that have been incurred as well as all planned expenses that the entity plans to incur before December 30, 2020. You will be asked to provide additional detail in the Budget and Narrative spreadsheet that accompanies your unit of government's Application.

8. **Q:** Will we need to send back unused funds if not fully spent per our estimated budget?

**A:** Yes. Section 601(f)(2) of the Society Security Act and 5001(a) of the CARES Act provide for the recoupment of unspent funds by the U.S. Treasury. If a unit of government does not use its entire CRF allocation by December 30, 2020, then Kane County will be required to return those funds to the U.S. Treasury. Kane County will work directly with entities who are identified by October 15, 2020 as at risk of not fully spending their CRF allocations.

9. **Q:** To clarify are Kane County Village/City Municipal Libraries able to apply for funds?

**A:** At this time, units of governments within Kane County are eligible to apply for CRF funding. The Kane County Board plans to meet around a potential program to include library districts. The next meeting is on September 8, 2020. An email informing the libraries of their award allocation will be sent if approved by the County Board.

10. **Q:** Our Board meets after October 16th and only once a month. Does the Resolution need to be approved before October 16th?

**A:** Yes. You will need a board resolution to formally approve the Intergovernmental Agreement (IGA) with Kane County. Reimbursement requests will not be reviewed or authorized without an approved IGA.

### **Eligible Expenses and Procurement**

**11. Q:** Are the expenses retroactive to a certain date?

**A:** Yes. Expenses that are eligible for reimbursement through the CRF program date back to March 1, 2020 as long as the expenses were not included in the most recently approved budget as of March 27, 2020 or any subsequent budget, or that were budgeted but have significantly changed due to the COVID-19 pandemic.

**12. Q:** Does every single invoice and check copy need to be sent in when requesting reimbursement?

**A:** Adequate documentation must be submitted to support each expense for reimbursement to be considered.

**13. Q:** We provided assistance of up to \$100 to our utility billing customers directly impacted by a loss of income due to COVID-19. This is listed as a qualifying expense in the Treasury's Q&A. Would this be reimbursable through the Kane County Coronavirus Relief Act program?

**A:** Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the Recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the U.S. Treasury Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

**14. Q:** We have had to quarantine individuals for travel purposes and potential exposures for two-week periods. Are the payroll costs for those employees who self-quarantined eligible expenses? Also, are the costs for covering their shifts eligible for reimbursement whether it was overtime or regular time?

**A:** Public health expenses related to quarantining individuals are eligible for reimbursement under the CRF program. The statute requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As stated in the U.S. Treasury Guidance, a cost meets this requirement if either (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 a line item, allotment, or allocation. If the cost of an employee was allocated to administrative leave to a greater extent than was expected, the cost of such administrative leave may be covered using

payments from the Fund. Payroll or benefit expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency are not eligible for reimbursement.

- 15. Q:** May Coronavirus Relief Fund (CRF) payments be used to cover increased administrative leave costs of public employees who could not telework in the event of a stay at home order or a case of COVID-19 in the workplace?

**A:** Statute requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (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 a line item, allotment, or allocation. If the cost of an employee was allocated to administrative leave to a greater extent than was expected, the cost of such administrative leave may be covered using payments from the Fund.

- 16. Q:** Is there a cost threshold for sole source? For example, it doesn't make sense to go to bid for \$1,200 for acrylic shields when Amazon was able to easily provide a source that was more competitive than an office interior supply. We typically do not go to bid for anything unless it hits a threshold.

**A:** There is no specific cost threshold that applies across all entities. It is important that you follow all procurement policies applicable to your unit of government, including Federal procurement policies related to the CRF funds received. If you have specific procurement questions, please refer them to your entity's attorney.

- 17. Q:** Full and open competition was not possible for personal protective equipment (PPE) during April and May 2020. As such, we could not get three bids for PPE, it was not possible. What do we do in a case of such emergencies?

**A:** Uniform Guidance Procurement Standards allow for sole source procurement if the time it would take to seek competitive bids would delay the unit of government's response to a public emergency. Documentation is required to verify and justify the non-competitive procurement. (2 CFR 200.320)

FEMA<sup>1</sup> provides guidance for documentation for exigent or emergency procurement instances. Such documentation follows:

- **A justification to describe the emergency or exigent circumstances:** Explain why sole-sourcing is necessary based on the specific conditions and circumstances that demonstrate why immediate or urgent action is needed. Include the specific steps taken to determine why full and open competition could not have been used. A separate justification is required for every sole-sourced contract.

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<sup>1</sup> <https://www.fema.gov/grants/procurement/understand-exception>

- **A brief description of the goods or services:** Justify the need for the specific good or service being contracted to address the emergency or exigency circumstance.
- **Estimate the expected dollar amount of the goods or services:** A cost or price analysis is required for all procurement transactions above \$250,000.
- **Describe any known conflicts of interests** and efforts made to identify possible conflicts of interests. If no efforts were made, explain why.
- **Define and justify the period of emergency or exigency for the specific situation:** The period of emergency or exigent circumstances may vary per incident.
- **Transition to a competitively bid contract as soon as the emergency or exigent period ends:** Failure to plan for transition to a competitively bid contract cannot be the basis for continued use of the emergency or exigency exception.

**18. Q:** We provided grants of \$5,000 to small businesses to reimburse the costs of business interruption. This is listed as a qualifying expense in the Treasury Q&A. Would this be reimbursable through the Kane County CRF program?

**A:** No. Units of government in Kane County may not transfer their CRF allocations to local businesses and seek reimbursement for those costs. Rather, Kane County has dedicated funds in the CRF program to directly assist small businesses.

**19. Q:** We have expenses for providing outdoor dining areas on public properties (picnic tables, hand washing stations, etc.) to help businesses comply with the Restore Illinois plan. Are these eligible expenses?

**A:** Expenses will be considered on a case-by-case basis to align with evolving U.S. Treasury guidance and based on the documentation available to support the reimbursement request. At a minimum, the reimbursement request must include a narrative to verify and justify the following:

- (1) The expense was incurred between March 1, 2020 and December 30, 2020.
- (2) The expense was *necessary* and *due to* the entity's COVID-19 response to the public health emergency.
- (3) The expense is not filling a shortfall in government revenues.
- (4) The expense is not funded through another budget line item or allocation as of March 27, 2020, OR the line item was for a substantially different use when originally approved.
- (5) The expense would not exist without the COVID-19 public health emergency.

## Payroll

**20. Q:** Would the following situations be reimbursable costs under the Coronavirus Aid, Relief, and Economic Securities (CARES) Act?

1. A shift of Public Health Workers that were home, but on call to decrease the number of staff working in the field at one time due to the COVID-19 Pandemic.
2. Employees being paid under the new Emergency Paid Sick Leave (EPSL) act that fall under the 6 new categories related to the COVID-19 Pandemic.

**A:** Both could be eligible expenses as long as the CRF Project Budget and Narrative and the supporting documentation with each reimbursement request provide evidence that those shifts in duties or hours worked were specific to and necessary to the entity's COVID-19 response.

**21. Q:** All salaries were present in the initial budget submission. However, some police officer calls are specific to the COVID-19 Pandemic. Would their time spent on responding to COVID-19 call types be reimbursable, even if it didn't trigger overtime pay or additional pay for such officers? Guidance states that it assumed all public safety salaries are reimbursable for the time period from March 1 – December 30, 2020.

**A:** New U.S. Treasury supplemental guidance issued on September 2, 2020 clarifies that police officers, firefighters and other first responders are *substantially dedicated* to the COVID-19 public health emergency and, therefore, qualify for reimbursement of the full payroll expenses incurred between March 1, 2020 and December 30, 2020<sup>2</sup>.

**22. Q:** What benefits are eligible for reimbursement through the Coronavirus Relief Fund?

**A:** The U.S. Treasury supplemental guidance issued on September 2, 2020 specified that benefits associated with eligible employee' salaries may include, but are not limited to, the costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (federal and state), workers compensation insurance, and Federal Insurance Contributions Act (FICA) taxes (which includes Social Security and Medicare taxes).

**23. Q:** We have tracked the calls we received related to COVID-19 for our police officers, but we don't know how much time the officer spent on that specific call. Can we use

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<sup>2</sup> <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>

the number of COVID-19 calls the police department received in one day divided by the number of total calls to get a percentage for that day? Then, is it permissible to take that percentage and multiply it by the total of police department salaries for that day to come up with a reimbursement amount?

**A:** The U.S. Treasury supplemental guidance issued on September 2, 2020 clarifies that police officers are deemed *substantially dedicated* to the COVID-19 public health emergency. Work performed by employees classified as substantially dedicated are eligible for full reimbursement of payroll expenses and do not need to supply an hour-by-hour documentation of time spent mitigating or responding to the COVID-19 public health emergency.

**24. Q:** Will the county apply the U.S. Treasury's Guidance that as a matter of "administrative convenience," payroll costs for public safety employees are presumed to be for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency? And, because every police and fire call for service/engagement involves the need for awareness about the risk of Coronavirus infection, can all payroll expenses for public safety personnel be submitted as an eligible expense under the Kane County CRF program?

**A:** Kane County will apply the U.S. Treasury Guidance, which says, "as an administrative accommodation, a State, local, or tribal government may presume that public health and public safety employees meet the substantially dedicated test, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise."<sup>3</sup>

**25. Q:** To reduce the burden of recreating time and effort documentation to include individual's names in the Payroll Time & Effort spreadsheet template, can payroll documentation be submitted by department in our own format if adequate level of detail and documentation to support the time spent on COVID-19 related activities is present?

**A:** Yes. Entities can submit their own versions of documentation to support reimbursement requests of payroll expenses as long as the time and effort of employees who are substantially dedicated to the COVID-19 public health emergency is clear and certified by an authorized representative and/or supervisor.

**26. Q:** Are salaries for Public Works employees being paid to stay home and shelter in place to work alternating schedules so that our employees would be available to

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<sup>3</sup> <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>

provide utilities (to assure that we limited exposure and would have employees available to provide service) eligible?

**A:** U.S. Treasury Guidance says that eligible payroll expenses must not be accounted for in the most recently approved budget as of March 27, 2020. To be eligible for CRF reimbursement, the payroll expense (a) cannot lawfully be funded using an approved line item within that budget or (b) the cost is for a substantially different use from the expected use of that approved line item in the budget. U.S. Treasury Guidance specifies that a public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. Essential to a justification for seeking reimbursement for payroll expenses is to document how the employees’ duties were substantially different from the budgeted amount or function, and how much of the additional expense was directly caused by the COVID-19 response.

**27. Q:** Our deputy chief was redirected from being totally dedicated to payroll and operations to partially COVID-related supervision. He is salaried and doesn't receive overtime. Is the portion of his salary substantially dedicated to COVID-19 activities reimbursable?

**A:** The deputy chief would likely be considered administrative and *not substantially dedicated* to the COVID-19 public health emergency as described in the U.S. Treasury’s September 2, 2020 supplemental guidance and FAQ No. 47<sup>4</sup>. Employees who are administrative and *not substantially dedicated* must track their time spent related to COVID-19 and may seek reimbursement for payroll expenses for the time dedicated to mitigating or responding to the COVID-19 public health emergency between March 1, 2020 and December 30, 2020. Adequate documentation of the time and effort dedicated to the COVID-19 public health emergency must be maintained and submitted with a reimbursement request to Kane County. Eligible reimbursement will be contingent on adequate justification and documentation that the hours worked were dedicated to responding to the COVID-19 public health emergency.

**28. Q:** Our administrative directors for finance and other departments have spent significant time amending the budget and creating COVID-19-related trainings. Could any of their time be reimbursed through the CRF program?

**A:** Administrative staff are deemed *not substantially dedicated* under the U.S. Treasury supplemental guidance and FAQ No. 47<sup>5</sup> issued September 2, 2020. Employees who are administrative and *not substantially dedicated* must track their time spent related to COVID-19 and may seek reimbursement for payroll expenses for the time dedicated to mitigating or responding to the COVID-19 public health emergency between March 1, 2020 and December 30, 2020. Adequate

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<sup>4</sup> <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>

<sup>5</sup> <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>

documentation of the time and effort dedicated to the COVID-19 public health emergency must be maintained and submitted with a reimbursement request to Kane County. Eligible reimbursement will be contingent on adequate justification and documentation that the hours worked were dedicated to responding to the COVID-19 public health emergency.

**29. Q:** Our HR Director is now mostly dedicated to COVID-19 related activities; however, this HR Director's position is administrative and is exempt under FSLA. Therefore, the HR Director does not receive overtime pay. Is the time spent on COVID-19 related activities reimbursable?

**A:** Time spent by administrative staff<sup>6</sup> on activities necessary due to the COVID-19 public health emergency are eligible for reimbursement if the employee and/or department adequately documents the employee's time to delineate the employees regular duties from those that are specific to mitigating or responding to the COVID-19 public health emergency. The documented eligible payroll and benefits may be reimbursed by the Coronavirus Relief Fund.

### **Processes and Timeline**

**30. Q:** What is the timeline for applications (attachment A and B). Do these applications require a City Council resolution?

**A:** The deadline for submission of the Kane County Unit of Government Application for Coronavirus Relief funds is September 15, 2020 at 5:00 p.m. CST. The Application does not require City Council resolution, but it does require the signature of an authorized agent on behalf of the unit of government.

Once Kane County approves the application, then Kane County will invite the entity to enter into an Intergovernmental Agreement (IGA). That IGA must be approved by resolution and signed by an authorized agent of the unit of government.

**31. Q:** Will the county provide a sample IGA for us to bring to our Village Board?

**A:** Yes, Kane County has prepared an IGA document, which will be sent after each entity's application is complete. It is a standard document for use by all units of government.

**32. Q:** When will the Board meet to approve the inclusion of library districts?

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<sup>6</sup> <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>

**A:** On September 8, 2020, the Kane County Board voted to include library districts in the pooled allocation of \$1.25 million of Coronavirus Relief Funds for townships, park districts, library districts and the Kane County Forest Preserve.

### **FEMA and CRF Funding**

**33. Q:** Do entities need to apply for reimbursement through FEMA's Public Assistance Program before submitting application to Kane County? Alternatively, may an entity apply to Kane County with a caveat that the entity is seeking reimbursement from FEMA in an anticipated amount?

**A:** No. Entities are not required to apply for reimbursement through FEMA before applying for CRF assistance. The CRF allocation is not required to be used as the source of funding of last resort.

- However, an entity cannot get reimbursed for the same cost under FEMA and under CRF. There is no double-dipping.
- It is recommended that an entity consider seeking FEMA assistance to cover eligible expenses under the Stafford Act, and then apply for CRF reimbursement of the non-federal matching requirements for the Stafford Act assistance for eligible expenses.
  - Under the Stafford Act and Emergency Assistance Act, FEMA pays 75% of the cost. And the Recipient pays the remaining 25% of eligible expenses, including:
    - Critical services: education, utilities, services, medical services), and
    - Non-critical services: nursing homes, shelters, food assistance).

**34. Q:** If an entity already submitted an application to FEMA for reimbursement of eligible expenses, should we apply for the Kane County CRF allocation to reimburse the entity's 25% local match to the FEMA award or for 100% of the amount for which we applied to FEMA?

**A:** To avoid duplication of payment, entities can apply through the CRF fund for the 25% local match reimbursement. If the entity does not receive FEMA assistance by October 15, 2020, then the entity can discuss with Kane County a budget modification to increase its CRF allocation for the remaining expenses, provided CRF funding is still available.

**35. Q:** How does this interact with FEMA grants? How do we make sure we stay within FEMA guidelines and requirements along with this program?

**A:** Entities can apply for FEMA to get up to 75% reimbursement for eligible expenses under the Stafford Act, and then seek reimbursement through CRF for the 25% local match requirement for those FEMA funds.

**36. Q:** Can you file first with the CARES Program and not file with FEMA?

**A:** Yes. However, it is recommended to apply for FEMA first. Just make sure that you do not double dip.

**37. Q:** Please confirm that entities can, in fact, apply for both FEMA and CRF awards. We just can't accept funds from both FEMA and CARES for the same thing, correct?

**A:** Correct. entities can apply for FEMA assistance and CRF assistance for eligible expenses under each program requirements. Entities are prohibited from seeking reimbursement for the same expense(s) from two sources. That is a set-up for an audit finding.

**38. Q:** What if your expenses don't meet FEMA thresholds?

**A:** Entities are not required to apply for FEMA assistance as a condition to applying for the CRF program.