

County Coronavirus Relief Fund FAQ

7/17/2020 | Kansas Office of Recovery

CRF Eligibility:

Q: What is the difference between a “business disruption” and “revenue shortfalls”?

A: The CARES Act specifically allows funds to reimburse small businesses for the costs of “business interruptions/disruptions” caused by required closures. Required closures can be due to a state or a local stay-at-home or similar order. The definition of a “small business” is at the discretion of the entity managing CARES Act funds.

The term “revenue shortfalls” refers only to public institutions, such as state and local governments, who are not eligible to supplant losses in revenue (taxes, fees, etc.) incurred due to COVID-19. In other words, only businesses may receive grants or loans to cover operating losses due to COVID-19.

Q: Are reimbursed wages based off of gross wages or benefit wages?

A: Reimbursement is based on payroll expense, that can include benefits that are in the payroll. Payroll expenses for public employees whose services are substantially dedicated to mitigating or responding to the COVID-19 emergency are eligible for reimbursement.

Q: If counties ask for a formal ruling for an expense, the state approves the project as eligible, and it is later deemed non-eligible by the federal government, will the state help with those associated costs?

A: The guidance interpretation is a tool for counties to use for a formal ruling based upon federal guidance. If the state determines the expense is eligible, then the state is responsible for reimbursement of funds.

Q: Non-profits are eligible for reimbursements?

A: Yes, counties are encouraged but not required to reimburse nonprofits.

Q: Can a business be reimbursed for losses occurred during a mandatory closure?

A: If a county chooses to, yes. Any program for such reimbursement for non-public entities like businesses would need to be included in the Direct Aid Plan.

Q: Can applicants apply for funds to cover revenue shortfalls?

A: No. CRF may not be used to fill revenue shortfalls of public institutions based on federal guidance.

Q: Can monies be allocated for 2021 response activities (ie. contact tracers, nurses, etc.)?

A: Only if the expenses or goods and services are incurred prior to December 30, 2020. Reference federal guidance for further instruction.

Q: Can the funds be placed in an interest-bearing account until distributed for Reimbursement and/or Direct Aid?

A: Counties are discouraged from putting the funds into interest bearing accounts because of complexities of investing, reporting, and accounting for interest payments in the short timeframe of this program. All interest earned must be reported to the state and is still subject to the same restrictions and approval processes. If a county chooses to place funds in an interest-bearing account, please notify the Recovery Office.

Q: What will be considered as duplication of funds or is there any?

A: Counties should ensure that recipients who have received reimbursements from the federal government for COVID-19 costs do not receive reimbursements from the county for those same costs. Additionally, Counties should ask in any program application what funds the applicant has received from other CARES Act sources to ensure that the same COVID-19 expense is not being reimbursed or rectified using direct aid expenses more than once.

Q: If a county is handling all administrative components themselves, can they use the recommended 5% of allocated CRF for administrative costs to recover cost of using current employees?

A: Refer to the payroll guidance in the latest round of federal guidance to determine if a public employee can be considered as "substantially dedicated to COVID-19". If so, the salary can be covered by your funds.

Q: Is there any recommendation on which school districts and cities counties should allocate funds to? Specifically asking about cities and school districts where only part of the city or school district is located within a county.

A: As stated in the resolution, the county in which the institution's headquarters is housed is the county responsible for that institution. However, this does not mean that only that county can provide funds to that institution. Counties can share costs as needed.

Q: Schools received some CARES Act funding directly. Do counties reimburse expenses over and above the amount they received or any expenses they submit?

A: Schools should not be reimbursed for the same expense twice. If federal funds were used to pay for any one cost, that cost cannot be claimed by the school at the county level.

Q: If a county transfers funds to a subrecipient, who completes the subrecipient report?

A: For direct subrecipients of county funds, subrecipients are required to record and report all expenditures to counties prior to the reporting deadline. Counties are responsible for compiling all subrecipient maintaining records of subrecipient expenditures.

Q: Can a school district directly purchase additional laptops/learning devices for potential distance learning or does the City/County need to make that purchase and then distribute the devices to that district?

A: Counties can provide the school district with the funds to buy the supplies as long as that transfer is accounted for in your direct aid plan and subsequent expenditure report.

Q: Can funds be used to upgrade radio systems to improve the county's emergency services communication?

A: If an expense is not clearly addressed in the federal guidance and a county would like a determination on whether or not an expense is eligible a Request for Guidance Interpretation form can be submitted for a formal ruling. The guidance interpretation Request form can be found [here](#). And the submission portal can be found here. form and submission portal can be found [here](#).

Materials:

Q: Where can the federal guidance be found that outline eligible COVID-19 related expenditures?

A: All materials will be posted online at <https://covid.ks.gov/spark-county-resources/>

Q: Where are all the resources and templates posted that are reviewed in webinars?

A: All materials will be posted online at <https://covid.ks.gov/spark-county-resources/>

Point of Contact:

Q: Is there a way to change the point of contact that was designated or confirm a point of contact?

A: Please contact the Office of Recovery at recovery@ks.gov to file or confirm a point of contact.

Q: If the county hires an accounting/compliance firm, who would be the designated signer for the expenditure/reimbursement reports?

A: The primary contact who signs the document should be a member of the county government or other designated public employee noted on the initial primary contact form.

Accounting and Reporting:

Q: Does a county have to submit all reimbursement requests made by other entities (schools, cities)?

A: All reimbursement requests must be compiled by the county and submitted in one report. Municipalities and additional entities that would like reimbursement funds must coordinate and provide receipts to the county- in the specified format that we will provide.

Q: What does the August 15th Reimbursement Report cover?

A: The August 15th Reimbursement Report cover expenses a county will reimburse that took place between March 1, 2020 to July 31, 2020.

Q: Is there a sample of an agreement between counties and other taxing entities?

A: Yes, these documents can be found on the covid.ks.gov website or the Kansas Association of Counties website.

Q: If the subrecipient does not submit their report, is the county still responsible? What if the subrecipient buys something that isn't allowed?

A: Counties are responsible for making sure subrecipients submit their report and for ensuring all funds are meeting the Federal requirements. This is section 9 of the county resolutions, "...[COUNTY] agrees to cooperate with any audits or inquiries by the Department of the Treasury concerning CRF funds and agrees to pay any debt incurred to the Department of the Treasury due to ineligible expenditures of appropriated CRF funds". Counties can choose to require prior certification for appropriate use of subrecipient expenditures.

Q: Is the August 15th Reimbursement Report ONLY for reimbursing costs that have already been spent?

A: Yes. This report is only for expenses that have already been incurred.

Q: Would it be acceptable to not pay a subrecipient until the actual subrecipient report is provided to the designated agent?

A: A county can decide what mechanisms to put in place prior to distribution of funds to subrecipients, so long as compliance with reporting deadlines is followed.

Q: Can Reimbursement Reports or Direct Aid Plans be submitted early?

A: Yes, Reimbursement Reports and Direct Plans can be submitted anytime between August 1, 2020 and August 15, 2020.

Q: Is a report required even if the county did not expend funds during the respective reporting period?

A: Yes. A report must still be filed -- even if no expenses have been made. The report would just indicate "\$0" in expenditures in the summary.

Q: When are reports due, and what do they cover?

A: Below is a chart that indicates the dates, reporting periods and contents necessary for each report due date. In all reports following the first can include reimbursements if necessary, additionally they will record expenditure receipts that were previously approved via the direct aid plan.

Deadline	Time Period Covered	Application Includes:
8/15/20	3/1/20-7/31/20	Direct Aid Plan AND the first Reimbursement Report
9/10/20	8/1/20- 8/31/20	Recoupment of unspent or un-appropriated funds AND August Expenditure Report.
10/7/20	9/1/20- 9/30/20	September Expenditure Report.
12/10/20	10/1/20-11/31/20	October report of CRF due.
3/1/21	12/1/20- 12/31/20	November report of CRF due.
9/1/21	3/1/20-12/31/20	Final and complete report of all quarterly reports compiled and completed.

Q: Can the county create a fund using CRF allocations to cover costs that might come up over the next few months, including costs associated with ineligible expenses?

A: Counties may not set aside funds using CRF allocations to pay for the costs of ineligible expenses. Counties may budget funds for a specific COVID-19 related priorities. For example, they may budget \$10,000 in their direct aid plan for future PPE purchases.

Q: Can you define what a recipient is in terms of the reporting document?

A: Yes, if a county purchases a good or service from any vendor they are considered the recipient of CRF. The EIN of recipients of the CRF is required for reporting processes.

Q: Are EIN required on reports?

A: Counties must make a best attempt to find and report the EIN for vendors, but the EIN is not required if it is not obtainable.

Q: What if a sub-recipient requests reimbursement for a July expense in September? Is that permissible?

A: It is recommended that all reimbursements from March 1st-July 31st be reported in the August 15th Reimbursement Report, however, yes, reimbursement are permissible in future reports as long as the expenditure meets federal guidance Reimbursements that were not included in the August 15th Reimbursement Report should be reported as made on the date the reimbursement is completed, not on the date the initial transaction was made.

Q: Does a county only submit the Reimbursement Report Excel spreadsheet or do we submit copies of all the supporting documents?

A: The submission of reports must be done through the online portal via an excel spreadsheet. The supporting documents must be managed and maintained by the county for the following 5 years, based upon federal regulations.

Q: If a school districts recently ordered PPE but has yet to receive the order, would these be reimbursement or direct expenses?

A: This is a county-level decision as to how a county would like to report the cost incurred. Whatever decision is made, it must be accounted for in either the Reimbursement Report or Direct Aid Plan by August 15th.

Q: Is there a percentage set for indirect or administrative costs at the county level?

A: The recommended percentage for administrative costs is 5% of the total CRF funds allocated to the county. Administrative costs must be reflected on the direct aid plan and approved accordingly.

Q: How should payroll expenses be reported?

A: All payroll expenditures need to be in a single line item for each job position. Payroll costs cannot be combined into one line item due to the potential complications as a result of ambiguous reporting.

Direct Aid Plan:

Q: What if there are expenditures after recoupment of unspent funds on 9/7 that were not included in the Direct Aid Plan?

A: If unplanned COVID-19 related expenses occur, a county may amend their direct aid plan as needed, given that the expenses are eligible. The amended expenditures would simply be reported through the applicable month's expenditure reporting spreadsheet. At this point, there is no process for retrieving funds that have been recouped. We will review requests of this nature on a case by case basis as they arise. Regardless, counties are strongly encouraged to be as complete as possible when completing their direct aid plans.

Q: If the direct aid plan and reimbursements are supposed to be submitted Aug 15th for the full amount of the county allocation. What do we do about costs incurred for COVID response beyond July 31st?

A: The direct aid plan is simply a way to report what you intend to spend the money on. If you have unintended costs incurred, you can amend the plan and illustrate that expense in your monthly expenditure report.

Q: So, we can create a Direct Aid Plan that has a general fund for Fall COVID-19 response?

A: To the best of their ability, counties must be specific about planned expenses in the direct aid plan. If a county decides to budget funds for COVID-19 response, they should include specific information on the purpose of that fund, including what types of potential purposes are eligible for spending.

Q: Clarifying, we need to have a direct aid plan to budget for all dollars by August 15 in order not to lose the funds, which can then be verified through a later reimbursement report that matches up with that direct aid plan?

A: That is correct.

Q: Is the Direct Aid Plan for Round 1, 2 and 3? Or just Round 1?

A: The Direct Aid plan is for all county level spending through December. Counties are the only entities receiving money in Round 1 and future rounds do not impact or apply to that funding. The state is responsible for Round 2 and Round 3 funding.

Round 2 and 3 Allocations:

Q: Are businesses part of Round 1 or Round 2?

A: Round 1 funding was provided specifically to counties. Counties may use their Round 1 allocations to provide grants or loans to small businesses within the parameters of federal guidance. Additional funds to businesses will be provided through Rounds 2 and 3, which are handled entirely at the State level.

Q: Will counties know the focuses of Rounds 2 and 3 before making a decision on Round 1 funding plans?

A: Yes. The SPARK Steering and Executive Committees will review Round 2 funding proposals during the week of July 20th. All information regarding the SPARK Committee's priorities, meeting materials, video recordings, etc. can be found on the covid.ks.gov website [here](#). All SPARK Committee deliberations on Round 3 will be available in the coming weeks.