



**STATE OF NEVADA
GOVERNOR'S FINANCE OFFICE
Budget Division**

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ALL AGENCY MEMORANDUM #2020 – 12

June 19, 2020

To: All Agencies
CC: Agency Directors
From: Susan Brown, Director
Subject: FY 2020 Costs Reimbursements from the Coronavirus Relief Fund

As you may be aware, on Friday, June 12 the Governor's Finance Office (GFO) informed the Interim Finance Committee (IFC) that the State's General Fund shortfall is estimated to be approximately \$812 million for the Fiscal Year 2020 (FY20) due to the impact of the COVID-19 pandemic. There have been several immediate steps the State has taken to mitigate revenue losses as a result of the COVID-19 public emergency, including providing 4% operating budget reductions for FY20 and making a transfer to the General Fund from the Rainy Day Fund.

On Friday, members of IFC also approved a motion to move forward with several other steps to address the shortfall, including:

- The reversion of one-time appropriations from the 2019 Session
- The reduction of identified savings in operating accounts

First, I would like to thank all agency directors and fiscal staff for the countless hours of work over the last few months to provide agency budget reductions, submit revised projections for FY20 and FY21, and identify potential costs that could be reimbursed using the CARES Act, Coronavirus Relief Fund (CRF). This last month has been a challenging time for us all, as we urgently responded to the immediate and unprecedented financial impacts on the State due to the COVID-19 public health emergency.

Now, I am asking agencies to refocus efforts towards an area you have already been working on – identifying potential costs to be recovered from the Coronavirus Relief Fund, specifically for FY20.

Because the CRF offers a wide range of uses for both expenditure reimbursements and for costs that might occur through the end of the calendar year, we are asking all State agencies to become very familiar with the CRF and to work with their assigned GFO Executive Budget Officer from now through July 2, 2020 to identify all expenditures that occurred in FY20 that can be reimbursed through the CRF.

The CRF has a very short duration; it only covers expenditures through December 30, 2020. For this reason, it is important for State agencies to be thorough in identifying all possible FY20 CRF reimbursements from March 1, 2020 through June 30, 2020 to ensure the State does not miss out on recouping any eligible costs. It is important for both agency fiscal staff and program staff to work together to identify eligible expenditures incurred and to provide strong justifications as this is federal funds and is subject to federal auditing.

- **CRF FY2020 Instructions for State Agencies** (*how to submit FY20 CRF reimbursement requests*)
- **CRF Reimbursement Guidance for Nevada State Agencies** (*15-page document that explains eligible and ineligible expenditures for CRF reimbursements*)
- **FY20 CRF Agency Worksheet** (*Excel workbook with 4 worksheet tabs: “Non-Payroll”, “Payroll - UADMC Leave”, “Payroll - Substantially Dedicated”, and “Payroll-Overtime”. Each worksheet includes fields for required information and justifications as to why expenditures qualify for CRF reimbursements. Agencies must complete this worksheet and submit it to GFO to receive CRF reimbursements*) – **Due Thursday, July 2**

**Note: this information will also be available on the GFO Coronavirus Relief Fund webpage at <http://budget.nv.gov/CRF/> next week.*

Although agencies have likely submitted much of this information to GFO over the past few weeks, additional justification information will be required so agency staff must plan for time to become familiar with the *CRF Reimbursement Guidance for Nevada State Agencies*, work with program staff to provide justifications and complete the required *FY20 CRF Agency Worksheet*. It is likely that after becoming more familiar with CRF uses, agencies will find additional eligible expenditures that they weren't aware of.

The *FY20 CRF Agency Worksheet* is due to GFO on Thursday, July 2, 2020. Once received, the information will be reviewed, and agencies will be notified of their final CRF reimbursement amount. At that point, agencies will create a Work Program to reimburse the agency's approved amount for FY20. Work Programs will be subject to IFC thresholds.

It is also important for agency directors and program managers to become familiar with the uses of the CRF. I highly recommend distributing the *CRF Reimbursement Guidance for Nevada State Agencies* when it is received, to use in your agency as an essential tool for FY20 cost reimbursement requests and for FY21 planning.

Thank you for your leadership and commitment to ensuring Nevada State agencies utilize the CRF for its intent – to help provide some relief for the cost burdens placed on our State due to the COVID-19 public health emergency. We look forward to working with you to identify the State of Nevada’s CRF reimbursements.