

# Coronavirus Relief Fund

## State of Nevada FAQs – 7/27/20

### Overview

Nevada counties and incorporated cities outside of Clark County that have a population of less than 500,000 (those listed on the document "[Breakdown of CARES Act funding distributed to local governments to assist with COVID-19 expenses](#)") received a "packet" sent by the State of Nevada Governor's Finance Office (GFO) to request payment from the federal Coronavirus Relief Fund (CRF). The "packet" included the *Coronavirus Relief Fund Terms and Conditions For Local Governments* document that explained how to receive funds (Dispersal of Funds - Page 10), what type of plan is required to be submitted before receiving funds (Fund Expenditure Plan - Page 10), and information on what type of reporting will be required once funds are received (Reporting – Page 13). A *Cover Letter* also included instructions on how local governments can request payments from the fund.

The Governor's Finance Office would like to address some common questions from Nevada local governments regarding the dispersal of funds, expenditure plans, and reporting requirements. Please see the Questions and Answers below.

***Additionally, this document is to inform local governments of an extension to the deadline for the SFY20 worksheet that was originally due August 1, 2020 (see page 14 of the Terms and Conditions document). This deadline has been extended to September 1, 2020.***

### Questions and Answers

#### Dispersal of Funds

**When are the submittal "packets" due back to the GFO? What is the September 1<sup>st</sup> deadline for?**

The packets are due back as soon as possible to receive prompt payment for the first allocation. The September 1<sup>st</sup> deadline is for the second allocation of funds. Returning the packet now will ensure local governments have time to quickly cover initial eligible expenditures (from March 1, 2020 forward) and determine if a second allocation is needed. The GFO will require confirmation the first allocation has been used (or is in the process of being used) before releasing the second allocation on or after September 1, 2020. Funds are only available for use through December 30, 2020 (very short-duration federal assistance) so waiting to submit the packet could impact a local government's ability to use funds to the fullest extent.

**What items are needed by GFO to release any dollars to a local government? Does the GFO need the CRF Activity Worksheet too before releasing any dollars?**

GFO requires the following 3 items in order to release the first allocation of 50 percent:

- ✓ Coronavirus Relief Fund Eligibility Certification letter - **signed and notarized hard copy mailed to GFO**; must include correct vendor number
- ✓ Receipt, Acknowledgement, and Agreement to Terms and Conditions - **signed form located in Appendix A of the Terms and Conditions; can email it to GFO**

- ✓ CRF Expenditure Plan - document should be no more than 4 pages (see page 10 of the Terms and Conditions document); **can email it to GFO**

The CRF Activity Worksheet is required separately as part of reporting requirements (see Q&A below). Additionally, a local government entity must be registered as a vendor for the State of Nevada to provide the correct vendor number on the Eligibility Certification document.

**How does a local government get the second 50% allocation? What is the deadline to request the second allocation?**

The deadline to request a second allocation is September 1, 2020. GFO will send an email to all local governments mid-August with details on how to submit the request for second allocation. GFO will request verification that the local government has spent (or is in the process of expending) the first 50% of funds. Additionally, a detailed spending proposal will be required to be submitted to GFO by September 1, 2020. A local government may also elect to move forward on a reimbursement only basis for the remaining four months (September – December).

**Are local governments required to expend 50% of the funds by September 1, 2020. Also, do the first half of the funds need to be actually spent before September 1<sup>st</sup>, or just budgeted and allocated?**

It is preferred that the first allocation be expended. However, the GFO recognizes that some local governments may see a “lag” in when funds are actually expended. It is possible to move forward with a request for the second half of funds as long as there is verification of actual expenditures to date, amount of allocated funds, the program/purpose for allocation, and dates these allocations are expected to become incurred expenditures. An email will go out mid-August from GFO as a reminder and will provide additional details on how to submit this verification.

**If a local government does not have enough eligible expenditures for the first CRF allocation, will the entire amount have to be returned to the State of Nevada or would only the unused portion be returned and the second half of the CRF funds not be available?**

No. The purpose of two allocations is to manage the second half closer because the CRF has very strict “end of use” requirements from the Treasury. The risk of unintended misuse of funds becomes greater upon getting closer to 12/30/20, so the State will want to be more diligent about that half. Below are a few possible scenarios to illustrate the process:

- A local government receives its first allocation but only uses 75% of the funds by September 1, 2020, the State would expect that on September 1, 2020 the local government would not request a second allocation as it would still be working on expending the first amount. In the remaining months through December 30, 2020 the local government would continue using its remaining funds for any additional eligible costs that came up and return any unused funds by no later than March 1, 2021.
- A local government expends 100% of the first allocation of funds in October (past the September 1<sup>st</sup> deadline – they did not request a second allocation). The State would allow this local government to use their additional second half of the allocation through December 30, 2020 on a “reimbursement only” basis. This would be part of the local government’s “second allocation” amount and would be capped off to that limit.

- Local government staff looks through eligible expenses guidance and determines it will use/allocate the first CRF allocation by September 1, 2020. Staff decide to request the second allocation amount for other potential programs/reimbursable expenses that will occur in the fall. The local government would provide confirmation to the State of Nevada that the first allocation will be expended/allocated by September 1, 2020 and it would also provide a spending proposal for the second allocation that would show how all of the second allocation will be used (what expected programs/purposes/projections) and how this would be accomplished before the December 30, 2020 deadline.

**If a portion of the money is used for small business grants, is the business required to spend the money provided by the September 1<sup>st</sup> deadline, or is only the government entity required to spend (in this case disperse) the funds?**

Regarding the September 1<sup>st</sup> deadline, the government entity is required to spend/disburse the funds by then (or have a specific plan showing allocation close to that time period); the businesses that receive the money/grant will use it according to the parameters set up by the local government entity program and do not have to adhere to the September 1<sup>st</sup> date.

#### **Fund Expenditure Plan**

**Does the high-level fund expenditure plan have to be for the entire allocation or just the first half?**

The initial expenditure plan is just for the first half. GFO will require another similar one for the request for the second allocation. Local governments may provide an overall context for both plans with more specific expenditure details for the first half (and details in the second plan for the second half).

**If a local government submits a Coronavirus Relief Fund Expenditure Plan and things change as the course of the pandemic progresses will that local government be able to update and amend the plan as required to meet the needs of citizens?**

Yes, you can amend the plan as required to meet changing needs. GFO would require an updated plan upon the changes in circumstances and resulting changes in expenditures.

**Can I purchase a building with these funds?**

As of July 27, 2020, there is no clear Treasury guidance on the allowance of a building purchase to respond to the COVID-19 public health emergency. Although the Guidance provides for the lease of property for the covered period (3/1/20 – 12/30/20), there are only indirect reference to the allowance of “purchase of a durable good” and the retaining of “assets”. To minimize risks of improper CRF use and to prevent delays in accessing the funds, it is recommended that local governments seek other solutions such as leasing a building or portable unit etc. or purchasing a temporary shelter rather than purchasing a building to respond to COVID-19. A building purchase will require the highest level of justification including confirmation from the Treasury that this is allowable, which could cause significant delays.

#### **Reporting**

**Are local governments required to provide reports to the Treasury/State per the *Recipient Reporting and Record Retention Requirements* that was on the Treasury’s website:**

<https://home.treasury.gov/system/files/136/IG-Coronavirus-Relief-Fund-Recipient-Reporting-Record-Keeping-Requirements.pdf>?

No. This reporting requirement is for the State of Nevada only since it is the “prime recipient”. However, the State will require similar information from local governments to funnel into these Treasury reports, so this is a good guideline for local governments to reference. The Treasury is expected to provide a reporting portal which may require more detail. GFO will send additional instructions as soon as possible if more information is needed.

**When is the first report due to the State of Nevada?**

The Terms and Conditions document (page 13-14) has a reporting requirement for expenditures that were incurred March 1, 2020 through June 30, 2020 due to the State of Nevada on August 30, 2020. ***However, this deadline has been extended to September 1, 2020*** to allow local governments more time to gather this information. Please see below a timeline with the CRF deadlines as of July 27, 2020:

<b>CRF performance period March 1, 2020- December 30, 2020</b>	<b>DATE</b>
<b>Initial Disbursement Submittal Packet</b>	
Signed and Notarized Hard-Copy CRF Certification Letter	ASAP
Signed CRF Terms & Conditions	ASAP
CRF Expenditure Plan (4-page max, for first 50% allocation)	ASAP
<b>Second Disbursement Requirements</b>	
Verification Initial Allocation of 50% funds is Expended/Allocated to be Spent and Detailed Spending Proposal for Second 50% Allocation	09/01/20
<b>Reporting</b>	
CRF Activity Reporting Worksheet SFY2020 (March 1-June 30 2020)	<del>08/01/20</del> 9/1/20
CRF Activity Reporting Worksheet SFY2021 (July 2020)	08/10/20
CRF Activity Reporting Worksheet SFY2022 (August 2020)	09/10/20
CRF Activity Reporting Worksheet SFY2022 (September 2020)	10/10/20
CRF Activity Reporting Worksheet SFY2022 (October 2020)	11/10/20
CRF Activity Reporting Worksheet SFY2022 (November 2020)	12/10/20
CRF Activity Reporting Worksheet SFY2022 (December 2020)	01/10/21
CRF Activity Reporting Worksheet FINAL	03/01/21
Unspent funds must be returned to the State of Nevada	03/01/21

*\*credit to Washoe County for the above summary of due dates*