

FREQUENTLY ASKED QUESTIONS

Version Date: September 30, 2020

Note: The September 30, 2020 version of this document replaces the July 27, 2020 version. Updates or clarifications to answers from the July 27 version are noted. If you have additional questions related to the CARES Act Coronavirus Relief Fund – Municipal Program, please submit questions to:

https://massgov.formstack.com/forms/municipal_covid_spending_questions.

- 1. Should all municipalities apply for reimbursement through FEMA for FEMA-eligible expenses even though those costs could be paid from the CARES Act Coronavirus Relief Fund - Municipal Program?**

Yes. Municipalities should seek FEMA reimbursements for allowable expenses in order to maximize the amount of revenue available to pay for the budgetary impacts of coronavirus.

- 2. Can municipalities use CARES Act Coronavirus Relief Fund - Municipal Program dollars as the 25 percent match for FEMA-eligible expenses?**

Yes. The [US Department of the Treasury](#) and [FEMA](#) confirm that the CARES Act Coronavirus Relief Fund - Municipal Program can be used to pay for the FEMA cost share requirement.

- 3. Can CARES Act Coronavirus Relief Fund - Municipal Program dollars be used to offset the revenue lost due to the COVID-19 outbreak?**

No, fund payments may not be used for government revenue replacement. In order to be eligible for CARES Act Coronavirus Relief Fund - Municipal Program dollars, uses must be necessary expenditures incurred due to the public health emergency with respect to COVID19, not budgeted as of March 27, 2020, and incurred between March 1, 2020 and December 30, 2020.

- 4. How do I know whether to apply for the CARES Act Coronavirus Relief Fund - Municipal Program or other COVID-related federal grants?**

The CARES Act, as well as other federal legislation related to COVID-19, contained numerous grant opportunities for states, some of which will flow through to municipalities. You should pursue those opportunities to free up CARES Act Coronavirus Relief Fund - Municipal Program resources for costs that are ineligible from any other grant. Please note that in Round 2, applying for cashflow support is no longer a permissible request. A&F expects municipalities to seek funds only for eligible uses as specified in [Attachment A](#).

Note: This answer was updated in the September 30, 2020 version of this document.

- 5. How do I access CARES Act Elementary and Secondary Education Emergency Relief (ESSER) Funds for my community?**

Municipalities should pursue federal funding through the CARES Act Elementary and Secondary Education Emergency Relief (ESSER) Funds for education-related COVID-19 costs. The Department of Elementary and Secondary Education (DESE) is coordinating that grant program. Please visit <http://www.doe.mass.edu/grants/2021/113/> for more information.

6. How can I determine whether my costs are eligible for FEMA reimbursement?

The Massachusetts Emergency Management Agency (MEMA) can assist you with the FEMA application process, including guidance about eligible expenses. Refer to the materials on their website for municipal applicants <https://www.mass.gov/doc/municipal-applicant-briefing-presentation-04-23-20/download>.

Please note that the Massachusetts Emergency Management Agency has set a deadline of Thursday, October 15 for the submission of projects for actual costs incurred prior to September 15th. Projects submitted after this date are still eligible and may still be reimbursed, however, top priority will be given to pushing these projects through the FEMA system as quickly as possible and MEMA resources will be directed towards this goal. Post-September 15 projects and those submitted after the October 9th deadline will be prioritized under subsequent FEMA submission waves.

Note: This answer was updated in the September 30, 2020 version of this document.

7. If I choose not to apply for CARES Act Coronavirus Relief Fund - Municipal Program resources in Round 1, will I still be eligible for Round 2?

Yes. Communities do not forego eligibility for Round 2 if they choose not to request funds in Round 1. Further, the municipality's Total Eligible Amount (see [Attachment C](#)) does not change if they did not apply in Round 1.

8. My municipality is in Plymouth County. How do I access CARES Act Coronavirus Relief Fund - Municipal Program dollars?

Municipalities located in Plymouth County should contact county officials for information about accessing the CARES Act Coronavirus Relief Fund.

Eligible Uses

9. Can CARES Act Coronavirus Relief Fund - Municipal Program dollars be used to make certain changes to office space, such as plexiglass barriers and other sanitation items (e.g. hand sanitizer)?

Yes. Eligible uses of the CARES Act Coronavirus Relief Fund - Municipal Program dollars include social distancing measures, sanitation items, disinfection equipment, and air filtration. Note that these uses are subject to the restrictions that apply to all CARES Act Coronavirus Relief Fund - Municipal Program expenditures (costs must be incurred or anticipated as a result of COVID-19, must have been unbudgeted as of March 27, 2020, and be incurred between March 1, 2020 and December 30, 2020).

Note: This answer was updated in the September 30, 2020 version of this document.

10. Can CARES Act Coronavirus Relief Fund - Municipal Program dollars be used to make major capital upgrades, such as purchasing new vehicles?

No. CARES Act Coronavirus Relief Fund - Municipal Program dollars must support necessary expenditures incurred due to the public health emergency with respect to COVID-19. Funds may not be used for major capital projects that substantially change buildings or vehicles. However, funds may be used for smaller office modification projects capped at a total cost of \$150,000 for all modification projects pursued by a municipality to ensure social distancing, such as a small wall or new entrance to any office, to the extent they are necessary as a result of the public health emergency caused by COVID19, unbudgeted as of March 27, 2020, and the costs incurred between March 1, 2020 and December 30, 2020.

11. Are payroll costs of municipal employees who have been working beyond their regular duties in response to the public health emergency caused by COVID-19 an eligible use of the CARES Act Coronavirus Relief Fund - Municipal Program?

Costs must be unbudgeted as of March 27, 2020. Therefore, costs of salaried employees whose work has expanded is not an eligible cost of CARES Act Coronavirus Relief Fund - Municipal Program funds, unless the employee's work assignment has fundamentally changed. Additional labor costs including extended hours of hourly workers are an allowable use, provided the additional time need was caused by COVID-19 and can be documented.

12. Can CARES Act Coronavirus Relief Fund - Municipal Program dollars be used to pay for additional costs associated with holding elections?

Yes. Note the normal restrictions that apply to all CARES Act Coronavirus Relief Fund - Municipal Program expenditures (costs must be incurred or anticipated as a result of COVID-19, must have been unbudgeted as of March 27, 2020, and be incurred between March 1, 2020 and December 30, 2020).

13. Can CARES Act Coronavirus Relief Fund - Municipal Program dollars be used to pay for unemployment insurance costs incurred by the recipient as an employer?

Yes. Note the normal restrictions that apply to all CARES Act Coronavirus Relief Fund - Municipal Program expenditures (costs must be incurred or anticipated as a result of COVID-19, must have been unbudgeted as of March 27, 2020, and be incurred between March 1, 2020 and December 30, 2020).

14. Are unused accrued compensation liabilities an eligible use of the CARES Act Coronavirus Relief Fund - Municipal Program?

No. To be an eligible use of the CARES Act Coronavirus Relief Fund - Municipal Program, expenses must be incurred during the period beginning March 1, 2020 and December 30, 2020. Accrued liabilities are not an expense during the incident period.

15. Are business assistance programs an eligible use of the CARES Act Coronavirus Relief Fund - Municipal Program? The U.S. Treasury guidance says that such programs are eligible.

No. The guidance issued by the U.S. Treasury also provides that all of the Commonwealth's expenditures from the Fund—whether spent on Commonwealth expenses or distributed to cities and towns to address local costs—are subject to the Single Audit Act, 31 U.S.C. §§ 7501-7507, and related provisions of the Uniform Guidance, including those regarding the monitoring and management of subrecipients, 2 C.F.R. §§ 220.330-200.332.

Documenting that costs were for eligible uses is essential to managing compliance risk and to minimizing the possibility that the costs are deemed ineligible, thereby requiring the state to return funds to the federal government. Accordingly, in order to facilitate state compliance with these requirements, the guidance expressly allows states to impose restrictions and requirements on transfers of funds to local governments.

It is within this discretionary framework and mindful of the significant audit and compliance risk facing the Commonwealth that the Executive Office for Administration and Finance ("A&F") established specific, permitted uses for which cities and towns could request funds and instructed municipalities to contact the Division of Local Services if they contemplated requesting funds for any other purpose. Municipal small business assistance programs are not among the list of permitted purposes.

Municipalities are highly encouraged to explore several small business assistance programs offered by the SBA by visiting: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options>.

16. Are COVID-related costs incurred by schools eligible uses of the CARES Act Coronavirus Relief Fund - Municipal Program?

Yes, in the case of costs that are included in [Attachment A](#) as allowable uses, such as PPE, or school learning costs, to the extent not funded from other sources. Costs must be otherwise eligible (unbudgeted as of March 27, incurred between March 1 and December 20).

Please note that the Department of Elementary and Secondary Education (DESE) published guidance for school districts to pursue CARES Act Coronavirus Relief Fund dollars directly from the Commonwealth. Please see this website for more information: <http://www.doe.mass.edu/grants/2021/102/>. We urge you to pursue these opportunities to maximize the amount of funding available to you. If these resources are insufficient to meet the need, the CARES Act Coronavirus Relief Fund - Municipal Program (CRF-MP) can be used to support these costs. In that event, the school districts receiving funding from the municipality would be the sub-grantee, and the municipality as the grantor would be responsible for enforcing federal reporting requirements and compliance standards.

Note: This answer was updated in the September 30, 2020 version of this document.

17. Is the provision of COVID safety protocols, supplies, or expenses for public building projects currently under construction, including school projects funded by MSBA, an eligible use of the CARES Act Coronavirus Relief Fund - Municipal Program?

Yes, these funds can be used for additional costs of construction sites. Any such expenses must be unbudgeted as of March 27, 2020 and incurred between March 1, 2020 and December 30, 2020. Significant capital investments, such as changes to the design of a school project, are not an eligible use of the CARES Act Municipal Coronavirus Relief Fund.

18. Can entities other than municipalities, such as regional school districts, apply for CARES Act Coronavirus Relief Fund – Municipal Program funds?

No. Municipalities are the only entities eligible to receive CARES Act Coronavirus Relief Fund - Municipal Program allocations.

19. Can CARES Act Coronavirus Relief Fund – Municipal Program dollars be used to purchase ambulances? The U.S. Treasury guidance says that “[e]mergency medical response expenses, including emergency medical transportation, related to COVID-19” are eligible expenditures.

No, in virtually all contexts, ambulances are major capital upgrades that are not necessary expenditures incurred due to the public health emergency with respect to COVID-19. The cost of ambulance trips incurred by a municipality may be an allowable expense, to the extent that ambulance trips related to COVID-19 can be separated out from ambulance trips unrelated to COVID-19.

20. An independent public entity (e.g., regional school district, independent service district) serving my municipality incurred or expects to incur costs that are eligible uses of the CARES Act Coronavirus Relief Fund. How can my municipality transfer funds to this entity in order to address these expenses?

Municipalities are the only entity eligible to receive funds from the Commonwealth through the CARES Act Coronavirus Relief Fund – Municipal Program. However, municipalities are allowed, but not required, to transfer funds to political subdivisions. If municipalities choose to transfer funds to subrecipients, A&F recommends providing such transfers as reimbursements for eligible uses articulated in the Potential Municipal Uses document ([Attachment A](#)) of the program guidance. Municipalities are required adapt the Certification form ([Attachment B](#)) as appropriate and get the Certification signed by the Chief Executive for the subrecipient. Municipalities are further required to collect and retain all relevant documentation to demonstrate the eligibility of the expense. As A&F promulgates reporting requirements, municipalities with subrecipients will be required to collect and convey all such information to the Commonwealth.

Alternatively, if the eligible uses may be procured and distributed from a central point in the normal course of business, such as purchasing Personal Protective Equipment (PPE), these goods can be acquired by the municipality and distributed on the basis of need to independent public entities directly.

21. Can CARES Act Coronavirus Relief Fund – Municipal Program dollars be used for costs related to food insecurity?

The following food-related categories are eligible expenses: COVID-related expansion of food banks; food pantries; grocery or meal delivery; and food for families that rely on food through the school system. Note the normal restrictions that apply to all CARES Act Coronavirus Relief Fund - Municipal Program expenditures (costs must be incurred or anticipated as a result of COVID-19, must have been unbudgeted as of March 27, 2020, and be incurred between March 1, 2020 and December 30, 2020).

Note: This answer was added in the September 30, 2020 version of this document.

22. Can CARES Act Coronavirus Relief Fund – Municipal Program dollars be used to pay for unexpected library expenses?

Unanticipated library expenses due to the COVID-19 pandemic are eligible expenses. Please note that there may be additional CARES Act funds available through the Board of Library Commissioners for the needs of libraries. Note the normal restrictions that apply to all CARES Act Coronavirus Relief Fund - Municipal Program expenditures (costs must be incurred or anticipated as a result of COVID-19, must have been unbudgeted as of March 27, 2020, and be incurred between March 1, 2020 and December 30, 2020). In your Round 2 application, please categorize this request as an “Other Request” and provide detail to support that the expense meets these restrictions.

Note: This answer was added in the September 30, 2020 version of this document.

23. Can CARES Act Coronavirus Relief Fund – Municipal Program dollars be used to pay for unexpected town meeting expenses?

Unexpected town meeting expenses due to the COVID-19 pandemic are eligible expenses. Note the normal restrictions that apply to all CARES Act Coronavirus Relief – Municipal Program expenditures (costs must be incurred or anticipated as a result of COVID-19, must have been unbudgeted as of March 27, 2020, and be incurred between March 1, 2020 and December 30, 2020). In your Round 2 application, please categorize this request as an “Other Request” and provide detail to support that the expense meets these restrictions.

Note: This answer was added in the September 30, 2020 version of this document.

24. Can CARES Act Coronavirus Relief Fund – Municipal Program dollars be used to pay for software systems that support a conversion to a paperless work environment?

Conversion projects to paperless work environments require further analysis under federal guidance. Please submit a memo to A&F (Brendan.S.Sweeney@mass.gov) outlining your decision-making process on the necessity of this project. Please include an explanation or documentation of the following:

- Whether this project was budgeted prior to March 27, 2020;
- Whether your municipality contemplated and/or completed efforts to digitize records prior to March 27, 2020;
- Your municipality's current teleworking policy including the percentage of employees who currently telework or alternatively the percentage of employee time spent teleworking;
- What beneficial outcomes you expect your municipality to achieve by completing this project;
- The date you expect the project to be completed.

Note: This answer was added in the September 30, 2020 version of this document.

25. Can CARES Act Coronavirus Relief Fund – Municipal Program dollars be used to pay for increased flu-related costs?

Increased flu-related costs, over and above your community's total flu-related costs from this past year, are eligible expenses. However, you must be able to document that the increased costs are incurred due to COVID.

Note: This answer was added in the September 30, 2020 version of this document.

Process

26. Can my municipality apply for eligible expenditures that were incurred in FY20 in Round 2?

Yes. In addition to estimating incurred or anticipated expenses for FY21, eligible expenditures incurred in FY20 are permissible for reimbursement in Round 2. Please consult DLS Bulletin 2020-07 for more information on how to account for CARES Act Coronavirus Relief Fund - Municipal Program dollars.

Note: This answer was updated in the September 30, 2020 version of this document.

27. When will the application process open for Round 2?

Municipalities may apply for Round 2 of the CvRF-MP beginning on **October 1, 2020**. The deadline for applications is **October 30, 2020**, and the application form is provided in this Excel workbook template ([CvRF-MP Application Template](#)).

Note: This answer was updated in the September 30, 2020 version of this document.

28. What are the reporting requirements for the CARES Act Coronavirus Relief Fund – Municipal Program?

To comply with all relevant federal and state laws and regulations, A&F has established a quarterly reporting process. Municipalities receiving funds through the CvRF-MP are required to adhere to all elements of the reporting requirements described in the relevant guidance. The next deadline for quarterly reporting has been extended to November 13, 2020. Further guidance is forthcoming.

At this time, A&F is in the process of establishing procedures to collect documentation associated with expenditures supported through CvRF-MP. Municipalities should anticipate further guidance related to documentation collection and retention in the coming weeks.

Note: This answer was added in the September 30, 2020 version of this document.