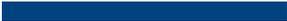


LAKE COUNTY CARES ACT CORONAVIRUS RELIEF FUND (CRF) LOCAL GOVERNMENT ASSISTANCE PROGRAM WEBINAR

Presented September 22, 2020





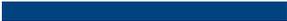
WELCOME & INTRODUCTIONS

WITH US TODAY

- Don Davis, Bronner Director of Professional Services
- Matt D’Onofrio, Bronner Government Services Consultant
- Matt Meyers, Lake County Assistant County Administrator
- Patrice Sutton, Lake County Chief Financial Officer

GUIDANCE PROVIDED ON:

- CRF funding requirements
- Eligible Expenses including Payroll
- Reimbursement Process
- Reporting and record retention
- Resources for questions



UPDATES ON FEDERAL LEGISLATION

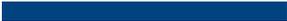
Congress is negotiating a new bill to provide additional assistance.

- *Does not look like it will be passed before November election.*
- *Cannot predict if this will result in more funding or extended deadlines*

TREASURY GUIDANCE UPDATE ON SEPTEMBER 2ND

The U.S. Treasury provided updated guidance last week on eligible uses of the Coronavirus Relief Funds provided through the CARES Act. This new version of the guidance provides clarity in application of the federal guide liens with regards to payroll expense reimbursement. To provide a brief overview of the relevant changes:

1. Public Safety Employees and Public Health Employees are assumed to be “substantially dedicated” to COVID response. As such, 100% of their payroll expenses (salary & benefits) are eligible for reimbursement with CARES Act Funds for the time period beginning March 1, 2020 and ending December 30, 2020.
2. For other similar employees, 100% of their payroll expenses are reimbursable if substantial dedication can be proven, with other information related to their tasks being substantially different than their normal, budgeted work tasks.
3. For other employees that are not substantially dedicated but have worked on COVID response related tasks, those specific hours may be reimbursed if conditions are met.



SCHOOLS

Treasury September 2nd Guidance indicated that documentation is not needed for expenses up to \$500 per student.

Schools will need to provide a certified copy of enrollment.

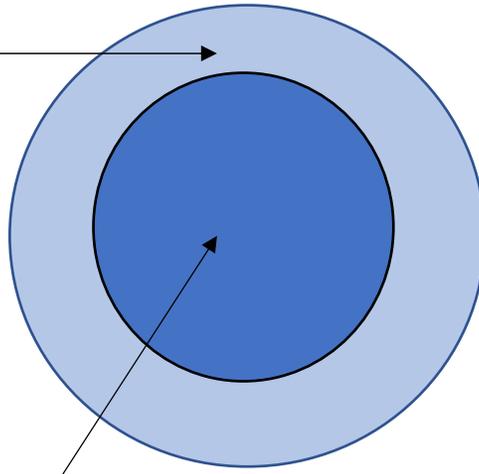
Schools will need to monitor their total funding from CRF funds to identify when it exceeds the \$500 per student threshold and therefore require additional supporting documentation.

MAXIMIZE FEMA FUNDING

THERE IS OVERLAP IN EXPENSE ELIGIBILITY BETWEEN FEMA AND CRF. IT IS HIGHLY RECOMMENDED TO APPLY FOR BOTH TO MAXIMIZE THE USE OF FEDERAL FUNDING.

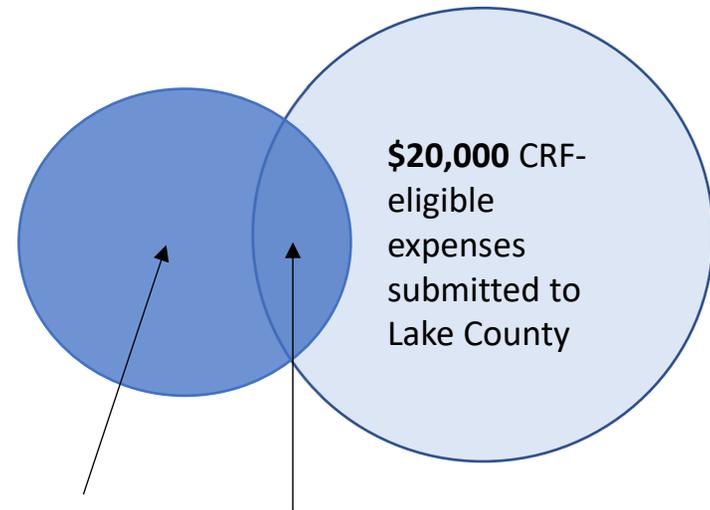
Scenario 1: Total of **\$20,000** Reimbursed – without FEMA Public Assistance

\$20,000 of CRF eligible expenses submitted to Lake County



\$10,000 of eligible expenses **NOT** submitted to FEMA

Scenario 2: Total of **\$27,500** Reimbursed – with FEMA Public Assistance



\$10,000 of eligible expenses submitted to FEMA (reimbursed at 75%- **\$7,500**)

\$2,500 local match paid for with CRF

SUMMARY OF FINANCIAL ASSISTANCE TO LOCAL GOVERNMENTS

Lake County CARES Act Municipal/Other Local Government Reimbursement Program

9/15/2020

Summary of Allocations

	Board Approved Allocation (Current)	Current Allocation	Proposed Allocation	Allocation Method		Proposed Board Allocations
Municipalities	\$ 25,000,000.00	\$ 20,000,000.00	\$ 27,500,000.00	\$42.20 (w/o Fire Dept.) \$46.25 (w/ Fire Dept.)	Per capita in municipality	\$ 29,500,000.00
Fire Protection Districts		\$ 2,000,000.00	\$ 2,000,000.00	\$5.61	Per capita in district	
Townships	\$ 10,000,000.00	\$ 1,600,000.00	\$ 1,600,000.00	\$2.30	Per capita in township	\$ 12,300,000.00
Park Districts		\$ 1,600,000.00	\$ 1,600,000.00	\$3.49	Per capita in district	
School Districts		\$ 5,000,000.00	\$ 7,000,000.00	\$53.79	Per student in district	
Library Districts		\$ 1,600,000.00	\$ 1,600,000.00	\$3.22	Per capita in district	
Forest Preserve		\$ 200,000.00	\$ 400,000.00	-	-	
Sanitary/Water Districts & Agencies		-	\$ -	\$ 100,000.00	\$0.19	
Unallocated		\$ 3,000,000.00	\$ 200,000.00	-	-	\$ 200,000.00
Total:		\$ 35,000,000.00				\$ 42,000,000.00

HIGH LEVEL OVERVIEW OF CRF REQUIREMENTS

CRF CAN ONLY PAY FOR COSTS THAT:

1. Are COVID-19 related
2. Do not supplant existing budgeted expenses
3. Incurred between March 1 and December 30, 2020

FOUR KEY POINTS FROM TREASURY GUIDANCE:

- A. County can determine who to fund and the amount of funding
- B. County cannot add restrictions on how local governments use funds, other than to ensure compliance
- C. Governments cannot use funds to make up for lost revenue (this may change with new legislation)
- D. Benefits cannot be duplicated

ELIGIBLE EXPENDITURES (REPORTING CATEGORIES)

CRF CAN ONLY PAY FOR ELIGIBLE COSTS:

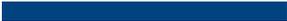
- a. Administrative Expenses
- b. Budgeted Personnel and Services Diverted to a Substantially Different Use
- c. COVID-19 Testing and Contact Tracing
- d. Economic Support (Other than Small Business, Housing, and Food Assistance)
- e. Expenses Associated with the Issuance of Tax Anticipation Notes
- f. Facilitating Distance Learning
- g. Food Programs
- h. Housing Support
- i. Improve Telework Capabilities of
- j. Medical Expenses
- k. Nursing Home Assistance
- l. Payroll for Public Health and Safety Employees
- m. Personal Protective Equipment
- n. Public Health Expenses
- o. Small Business Assistance
- p. Unemployment Benefits
- q. Workers' Compensation
- r. Items Not Listed Above - to include other eligible expenses that are not captured in the available expenditure categories

NON-ELIGIBLE EXPENSES

Non-allowable expenditures include, but are not limited to:

- Non-COVID-19 related expenses
- Revenue shortfall
- Damages covered by insurance
- Expenses that have been or will be reimbursed under any federal or state program
- Reimbursement to donors for donated items or services
- Severance pay
- Legal settlements
- Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
- Bonuses or incentives and permanent salary increases are not eligible

NEW GUIDANCE ON ELIGIBLE PAYROLL COSTS



OVERVIEW OF REIMBURSABLE PAYROLL COSTS

Treasury's September 2nd Updated Guidance provided additional information on the following types of payroll costs:

1. Public Safety and Public Health employees
2. Other government employees working substantially different duties related to COVID-19 including administering programs
3. Administrative Leave for staff unable to work due to COVID
4. Benefits

ELIGIBLE PAYROLL EXPENSES – PUBLIC SAFETY/PUBLIC HEALTH

The guidance clarifies that Public Health and Public Safety employees (as defined on following pages) can be considered to be “Substantially Dedicated” to COVID-19 duties.

As a result:

- Payroll Costs are 100% eligible from March 1 to Dec. 30, 2020
- Local governments do not need to document how time was spent.
- Local governments need to provide payroll records to document the costs.

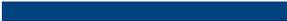
The exception to the assumption of “Substantially Dedicated” is if the local government’s chief executive determines that a Public Health and Public Safety employee was not “substantially dedicated” to COVID-related duties.



PUBLIC SAFETY EMPLOYEES

Public safety employees include:

- *“police officers (including state police officers),*
- *sheriffs and deputy sheriffs,*
- *firefighters,*
- *emergency medical responders,*
- *correctional and detention officers, and*
- *those who directly support such employees such as dispatchers and supervisory personnel.”*



PUBLIC HEALTH EMPLOYEES

Public health employees include:

- *“employees involved in providing medical and other health services to patients and supervisory personnel, including medical staff assigned to schools, prisons, and other such institutions,*
- *other support services essential for patient care (e.g., laboratory technicians)*
- *employees of public health departments directly engaged in matters related to public health and related supervisory personnel.”*

This can include school nurses.

ELIGIBLE PAYROLL EXPENSES – NON-PUBLIC SAFETY/PUBLIC HEALTH

Other employees (not Public Health and Public Safety) time and benefits are also eligible for reimbursement:

- If they spent more than 51% of their time working on COVID-19 related work, i.e., “Substantially Dedicated,” then 100% of their time for that payroll period can be reimbursed.
- If they spent less than 51% of their time working on COVID-19 related work, then the hours can be reimbursed.

In both cases, local governments must provide payroll records AND document how the time was spent on “Substantially Different” activities from their normal job duties. These activities must relate to COVID-19. Telework and performing the same job duties with preventive measures in place are not considered “Substantially Different” duties.

SUBSTANTIALLY DIFFERENT – INFORMATION FROM TREASURY FAQ

Costs incurred for a “substantially different use” include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, **due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions.**

This would include, for example,

- the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures;
- the costs of redeploying police to support management and enforcement of stay-at-home orders; or
- the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty’s ordinary responsibilities.

Note 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. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

EXAMPLES OF SUBSTANTIALLY DIFFERENT DUTIES

Technology staff

Eligible: Park District IT staff assists school in setting up e-learning

Ineligible: Park District IT staff assists Park District in setting up laptops for telework

Human Resources staff

Eligible: Provides advice to local businesses on COVID-19 policies

Ineligible: Provides advice to agency employees on COVID-19 policies

Maintenance staff

Eligible: Assigned to clean a different, high-risk facility, i.e., jail or nursing home

Ineligible: Assigned to clean normal workplace using different methods/ frequency

Finance staff

Eligible: Auditor is assigned to administer small business grant program

Ineligible: Auditor is assigned to audit small business grant program

ELIGIBLE PAYROLL EXPENSES – NON-PUBLIC SAFETY/HEALTH

Example of Eligible Payroll Expenses For Non-Public Health and Safety Employees

If more than
51% of time is
spent on
COVID-19
related work

Once the “Substantially Dedicated” 51% threshold is met, 100% of the staff time is eligible for reimbursement.
Must document work was “Substantially Different” from normal duties.

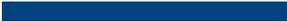
If less than
51% of time
is spent on
COVID-19
related work

Only time spent on COVID related work is eligible.
Must document work was “Substantially Different”

Time that is not COVID Related and/or not “Substantially Different” is ineligible.

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

51%



ELIGIBLE PAYROLL EXPENSE: SICK AND FAMILY LEAVE

Payroll costs are eligible if an employee could not work due to the person or family member's COVID-19 related illness.

The employee may have used sick leave, Family and Medical Leave Act (FMLA) or Families First Coronavirus Response Act (FFCRA)

Related benefits are also eligible.

BENEFITS AND INDIRECT COSTS

For eligible payroll costs, the related costs for personnel benefits, including pension, are eligible.

“Benefits eligible for reimbursement 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).”*

Indirect Costs are NOT eligible for reimbursement.

OTHER CRF REQUIREMENTS

GUIDANCE - PREVIOUSLY BUDGETED

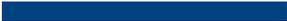
- Only non-budgeted and above budgeted costs directly related to response and mitigation of the COVID-19 public health emergency are eligible.
- Expenses that were accounted for in the most recently approved budget as of 3/27/2020 are not eligible.
- If the cost increased due to COVID-19, the amount budgeted vs. the amount expended due to COVID-19 is eligible (i.e. COVID-19 related budget gap or “delta”)?
 - If specific components of a project were added because they were deemed necessary to prevent the spread or mitigate COVID-19, those components are eligible for reimbursement.
 - For instance, if computers were budgeted, but cameras and microphones were added to allow for work from home and virtual meetings.

ADDITIONAL GUIDANCE ON ASSISTANCE PROGRAMS

Local governments can set up assistance programs for people, businesses and non-profits.

Local governments need to discuss program framework with Lake County/
BRONNER to ensure:

- Recipients are not duplicating benefits
- Funds are not used to pay the government (for instance, municipal utility bill forgiveness is not eligible.)
- Other requirements are met (for instance, Church/State constitutional requirements)
- Controls are in place for program and applicants to meet CRF requirements



GUIDANCE ON TIME FRAME – CRF REQUIREMENTS

The CRF Program requires costs are incurred between March 1, 2020 and December 30, 2020.

Lake County needs to report on expenditures and track spend rate. Therefore, reimbursement submissions are due October 15, 2020



GUIDANCE – COVID-19 RELATED CAPITAL IMPROVEMENTS

- Capital improvements or alterations must have been necessary to prevent and mitigate the spread of COVID-19, such as touchless doors and trash cans.
- Improvements can have lasting value if reasonable and needed to address COVID-19
- Design projects for future work or purchasing equipment for future installation are ineligible.
- When determining how to use funds, consider the amount of risk reduction and the number of people who will benefit per dollar spent. Is the activity the most cost-effective approach?

REIMBURSEMENT PROCESS



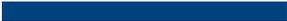
GUIDANCE ON TIME FRAME

- Reimbursement requests will be accepted through October 15, 2020.
- Projected or estimated costs for expenses incurred after October 15, 2020 will not be accepted.
- Additional opportunities to request reimbursement may be available in the future.

GUIDANCE ON SUBMITTING REIMBURSEMENT

The documentation should be sent via email to: municipalreimbursement@lakecountyil.gov

- a. Please let us know if your existing submission should be used or if you would like to submit a new applications using the revised guidelines.
- b. If your submittal is prepared please submit as we continue to review submissions as we receive. You do not have to wait until October 15, 2020 to submit.
- c. If your files are too large, please request access to a drop box site by sending an email to municipalreimbursement@lakecountyil.gov. Emails sent to this email box need to have a subject line of “Organization Name – Content of Email”, for example – “Village of Gurnee – Submission”, or “City of Waukegan – IGA”, or “Antioch Public Library – Question”.
- d. Following submittal, the request will be reviewed, and the County may provide questions or request additional information.



IMPORTANT CONSIDERATIONS IN SUBMITTING FOR REIMBURSEMENT

- Documentation submitted needs to be self-explanatory and organized with cross-referenced labels.

- Submissions will be returned that are not organized, clearly labeled, or understandable.

- Make sure to:
 - Remove sales tax
 - Provide appropriately detailed payroll support
 - Pro-rate out costs that will extend past Dec. 30, 2020

- Questions can be sent via email to municipalreimbursement@lakecountyil.gov or by calling 847- 377-2233.

RECORD RETENTION

RECORD RETENTION (PAGE 1)

Records shall be maintained for a period of **ten (10) years** after final payment is made using CRF.

Applicable to all **prime recipients and their grantees and subgrant recipients, contractors, and other levels of government that received transfers** of CRF from prime recipients.

Records to support compliance with subsection 601(d) may include, but are not limited to, copies of the following:

1. general ledger and subsidiary ledgers used to account for (a) the receipt of Coronavirus Relief Fund payments and (b) the disbursements from such payments to meet eligible expenses related to the public health emergency due to COVID-19;
2. budget records for 2019 and 2020;
3. payroll, time records, human resource records to support costs incurred for payroll expenses related to addressing the public health emergency due to COVID-19;
4. receipts of purchases made related to addressing the public health emergency due to COVID-19;

RECORD RETENTION (PAGE 2)

Records to support compliance with subsection 601(d) may include, but are not limited to, copies of the following:

6. contracts and subcontracts entered into using Coronavirus Relief Fund payments and all documents related to such contracts;
7. grant agreements and grant subaward agreements entered into using Coronavirus Relief Fund payments and all documents related to such awards;
8. all documentation of reports, audits, and other monitoring of contractors, including subcontractors, and grant recipient and subrecipients;
9. **all documentation supporting the performance outcomes** of contracts, subcontracts, grant awards, and grant recipient subawards;
10. **all internal and external email/electronic communications** related to use of Coronavirus Relief Fund payments; and
11. all investigative files and inquiry reports involving Coronavirus Relief Fund payments.

RESOURCES

RESOURCES

US Department of the Treasury (USDT)

- [CARES Act website for State and Local Government](#)
- [CRF Program Guidelines](#)
- [CRF Frequently Asked Questions](#)
- [Treasury OIG CRF Record Retention and Reporting Requirements](#)
- [Treasury OIG CRF Reporting Requirements Update](#)

Centers for Disease Control and Prevention (CDC)

- [COVID-19 website](#)
- [COVID-19 Interim Guidance for Businesses and Employers](#)
- [COVID-19 Employer Information for Office Buildings](#)

Federal Emergency Management Agency (FEMA)

- [COVID-19 website](#)
- [Public Assistance website](#)

Pandemic Response Accountability Committee (PRAC)

- [Main website](#)
- [Report COVID-19 related Fraud, Waste, or Abuse](#)

State of Illinois Coronavirus Resources

- [Main website](#)

National Association of Counties (NACo)

- [Coronavirus Relief Fund website](#)

International City/County Management Association

- [Coronavirus Crisis Response Resources](#)

Lake County

- [CRF Funding Plan](#)

Today's participants will also be provided:

- Webinar recording and slides
- FAQs for CRF Programs

-
- QUESTIONS?
-

