

## COVID-19 County Relief Block Grant - FAQ

### 2 CFR 200

**Q: Does 2 CFR 200 apply in its entirety?**

A: Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

### Administrative Expenses

**Q: For the amount of work needed from the counties to get the funds out within this period of time and the related work, would the state reconsider the limit of \$200k in admin?**

A: Per Act 24 of 2020, admin funds are capped at 2% or \$200,000, whichever is less. As this has been determined by statute, the amount of funds utilized for admin cannot be changed.

**Q: How does sharing admin money work with CFR guidance that subgrantees would be able to use their negotiated federal rate for admin expenses?**

A: Only direct administrative expenditures are permitted under the Commonwealth Fiscal Code for the County's administrative portion of the COVID-19 County Grants.

### Behavioral Health

**Q: Is this just treatment? Or does it include measures to rethink treatment? For example, is tele-health or physical structure changes included so we can continue to provide services?**

A: Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. For example, it could be used for treatment, current safety measures to mitigate the spread of the COVID-19 virus, and to increase the facility's ability to provide tele-health during the current COVID 19 Pandemic. For example, a State may spend Fund payments to create a reserve of personal protective equipment or develop increased intensive care unit capacity to support regions in its jurisdiction not yet affected, but likely to be impacted by the current COVID-19 pandemic.

### Broadband

**Q: Is there any guidance for counties on how they should appropriate funding for broadband to underserved areas, as part of the county block funding that was part of the state budget passed last month? If a broadband project is developed, as authorized in Section 131-C(7) of PA Act 24 of 2020, can people benefit from the improvement into the future, even after a possible COVID-19-less environment (i.e., does the benefit only have to benefit those that have been affected by the pandemic in 2020)? Do broadband projects have to be completed in their entirety, or do the funds just have to be expended, by December 30?**

A: All costs incurred under the program must be necessary due to the public health emergency (i.e. supporting telework and distance learning) and any services outside of a direct response to COVID would not be eligible. For eligible projects, a significant portion of the project would have to be completed by December 30, 2020 and any work or cost performed or incurred after December 30, 2020

would have to be paid for with Non-CARES Act Funding and depending on the level of increase on capacity could make the entire project ineligible.

**Q: Does this category include all costs to improve internet connection with the citizens? Users would include both students and workers who require access to virtual links to school or workplace.**

A: This would include both students and workers.

**Q: If funding for broadband is obligated but the project may extend past December 30th would that be considered spent? Please define spent.**

A: No; all expenditures must be incurred, and work completed by December 30, 2020 according to the U.S. Treasury's CARES Act Guidance and Frequently Asked Questions.

**Q: Is there any additional guidance or a detailed definition of "broadband deployment" so we are clear on what constitutes deployment? In addition, if expanding our fiber infrastructure cannot be completed by December 30th but fiber expansion is a future project option, would installation of hardware at the pole for microwave technology be considered deployment if total connection is not made but scheduled and engineered?**

A: All costs incurred under the program must be necessary due to the public health emergency (i.e. supporting telework and distance learning) and any services outside of a direct response to COVID would not be eligible. For eligible projects, a significant portion of the project would have to be completed by December 30, 2020 and any work or cost performed or incurred after December 30, 2020 would have to be paid for with Non-CARES Act Funding and depending on the level of increase on capacity could make the entire project ineligible.

**Q: If we are unable to move forward with an emergency exemption for a design/build project, would a county-wide feasibility study be an allowable allocation of the County Relief Funds-broadband deployment? This study would be utilized to apply for grants and provide a comprehensive plan to assure connectivity throughout our region.**

A: Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. A plan that cannot be executed to provide benefit to the current outbreak would not be permissible.

**Q: Broadband says primary focus is unserved or underserved, but no other real guidance. What are some sample expenditures or examples of items not covered?**

A: The guidance is limited with what can or cannot be done for Broadband. You must consider the following: All costs incurred under the program must be necessary due to the public health emergency (i.e. supporting telework and distance learning) and any services outside of a direct response to COVID would not be eligible. For eligible projects, a significant portion of the project would have to be completed by December 30, 2020 and any work or cost performed or incurred after December 30, 2020 would have to be paid for with Non-CARES Act Funding. The eligible expenditures depend on how much time you have to ensure you meet the above requirement.

**Q: What type of projects are eligible using CARES Act county block grant funds. Given the timeframe to spend funds by December 30, 2020 it appears that only broadband infrastructure**

**projects that are shovel-ready without funding identified could qualify. In addition, our county desires to use CARES Act county block grant funds to join a non-profit local co-op to build out our microwave network in underserved areas of our county. We must be members of the co-op to access their professional services to develop competitive RFPs and procure needed ISP and network equipment. May we use a portion of our block grant fund to pay the co-op membership fee and for the cost of equipment?**

A: Any expenditures incurred for a Broadband project would have to consider the following: All costs incurred under the program must be necessary due to the public health emergency (i.e. supporting telework and distance learning) and any services outside of a direct response to COVID would not be eligible. For eligible projects, a significant portion of the project would have to be completed by December 30, 2020 and any work or cost performed or incurred after December 30, 2020 would have to be paid for with Non-CARES Act Funding. The eligible expenditures are dependent upon how much time you have to ensure you meet the above requirement.

**Q: We were told that any assistance with schools and needs are not eligible for the county dollars, and that there is separate funding. We are very rural and have a large project in mind, but it won't expand capacity needed for telework or schools by December.**

A: Based on the guidance given by the U.S. Treasury, it would not be a viable project.

**Q: If an entity was going to be putting up hot spots for telemedicine, telework, and tele-educate in areas not served and underserved for WIFI for 5 years for free---is this eligible? It would be a competitive bid process following the necessary procurement process.**

A: The equipment, as long as it has been installed and is providing a significant increase to network capacity by December 30, 2020, would be eligible. If the 5 years free means prepaying for services, then only the amount covering services up to December 30, 2020 would be allowable. This funding cannot be used for future outbreaks. Any hotspots installed after December 30, 2020 would have to be paid with other funding.

**Q: If Broadband projects are paid for with the CARES Act funds, are there any restrictions on the type of business hired to complete the work? i.e. can a non-profit "business" be hired to install towers, or must it be a specific type of for-profit business hired to complete the work?**

A: DCED is not aware of any restrictions to what business would do the project as long as its completed or providing a significant increase in capacity by December 30, 2020. CARES Act FAQ and Coronavirus Relief Fund Guidance.

#### Capital Project

**Q: If our county purchased materials and did construction on a building we intend to have available to store PPE, etc., and to use for testing, training, etc. if needed, how would we know prior to spending this money that it would be approved in the end to pay for the project materials and construction?**

A: The County is responsible for reviewing the CARES Act guidance set forth by the Federal Government and Commonwealth Legislature to ensure it is taking on only those projects that are in compliance and eligible under the CARES Act.

**Q: For capital improvements/construction, does prevailing wage apply?**

A: If the federal Davis Bacon Act applies, then the Grantee must follow Davis Bacon. If the project is exempt from Davis Bacon, the Commonwealth's prevailing wage act will apply.

**Q: Can you clarify whether capital projects are eligible, if so what type?**

A: In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then fund payments may not be used for such projects.

**Q: For temporary storage, is a lease preferred over purchasing a storage facility for PPE?**

A: The guidance only provides that a government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

**Q: The sewage treatment plant which serves a large plot of land reserved for economic development would require capital investment to provide capacity for additional light industrial customers. Also, a large plot of land reserved for economic development should be graded to facilitate development to enhance the potential to create up to one thousand new jobs. Is this an eligible expenditure? Are these eligible expenditures?**

A: In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects. However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

**Q: If through our experience it was determined that there was a need in the County for a larger building site which could be readily available for possible isolation, testing, social distancing, meeting area isolated from our dispatch area, as well as an area utilized for storage or mass distribution of PPE, would the construction of a pole building on County property be an allowable expense?**

A: Yes, this would be an eligible expenditure.

#### Compliance

**Q: Will the commissioners be personally responsible if the audit identifies the funds were not used in the appropriate manner, even with an indemnification clause signed by the individual(s)/organization that received the funding?**

A: The Treasury Department would seek to recoup the funds from the government that received the payment directly from the Treasury Department. State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance. The Commonwealth would seek repayment from the County and the County should seek repayment from its sub-recipients.

**Q: Can a County Commissioner receive Business Assistance from the CARES Act if their business qualifies?**

A: Each County and Municipality must follow its own policy when reviewing applications submitted by an employee and must be consistent with DCED's contract provisions related to conflict of interest.

County and Local Government Expenditures

**Q: How do you balance expenses related to expansion of telework or systems/programs needed to assist in delivery or continuing public functions, such as jury management software to limit public interaction and provide social distance selections with the ineligible "expenses in prep for future outbreaks"? Are there any examples?**

A: Expenditures must be related to the current outbreak. Therefore, if you determine that the expenditure is to mitigate the outbreak or address the public's safety, then it would be an eligible expenditure. It may have future benefit but it has to initially be a response to the current outbreak.

**Q: Would a website redesign/upgrade, completed and in use qualify?**

A: Expenditures must be related to the current outbreak. Therefore, if you determine that the expenditure is to mitigate the outbreak or address the public's safety, then it would be an eligible expenditure. It may have future benefit but it has to initially be a response to the current outbreak.

**Q: Would the purchase of replacement equipment for our public safety radio system be an allowable expenditure under the CRBG guidelines?**

A: Yes, this would be an eligible expenditure.

**Q: Can you provide funding to police departments in the County or are COVID-related operations not budgeted?**

A: Yes, this would be an eligible expenditure if it is for an expense incurred during the covered period, is COVID related, and is not something that was previously budgeted.

**Q: Any advice as to how you fairly distribute to Municipalities?**

A: As this funding is passed through DCED to the counties, how the funding is distributed to the municipalities in the County is at the discretion of the County. However, all uses of funding must follow all federal and state laws and guidance.

County Guidelines

**Q: For those counties who have already launched an application process, will they now need to go back and re-launch, based on the updated guidelines from DCED?**

A: We recommend you seek guidance from your County Solicitor on any applications changes.

Eligibility

**Q: Are any cannabis related companies eligible for small funding assistance, i.e. medical marijuana, CBD, hemp, etcetera.**

A: Businesses that operate within the confines of all federal, state and local laws, and meet the definitions of the County's Small Business Assistance requirements, and the definitions in Act 24 would be eligible for funding.

**Q: Is a municipal authority an eligible applicant under assistance to cities, boroughs, incorporated towns, or townships located within eligible counties for response and planning efforts related to COVID-19?**

A: Yes, they are an eligible applicant.

**Q: Is a municipal authority an eligible applicant under Non-profit assistance programs for entities that are an exempt organization under section 501C(3) or 501C(19) of the internal revenue code of 1986?**

A: The municipal authority would not be eligible under the Non-profit category but could be reimbursed for eligible expenses as a unit of government.

**Q: Are non-profits and fire departments eligible if they are not registered as 501(c)3 or 501(c)19?**

A: Per Act 24, only non-profits registered as 501c3 and 501c19 are eligible grant recipients. If the fire department is owned by the municipal government that received the funding, eligible expenses may be reimbursed as a unit of government.

#### Eligible Expenditures

**Q: Can the funds be used to pay a prorated portion of a municipality's debt service that has been impacted by COVID-19?**

A: In order to receive reimbursement, the expense must be directly COVID related, not budgeted for, and incurred within the covered time period.

**Q: Are mortgage payments (not just the interest) eligible for reimbursement?**

A: In order to receive reimbursement, the expense must be directly COVID related, not budgeted for, and incurred within the covered time period.

**Q: If an invoice covers a service both before and after March 1st, can reimbursement be provided on a prorate basis?**

A: Yes, you could prorate the expenditure.

**Q: What are some examples of the difference in county response in a continuing pandemic like telework capability expansion and what expenses to prevent future outbreaks?**

A: Ensuring those who have a critical role in the current health emergency are accessible to the public, upgrading VPN access and consulting services to prepare a business or government for future outbreaks.

**Q: Can a person working from home get their internet service reimbursed but not as a generic stipend?**

A: Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such

assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

**Q: Are technology purchases for teleworking eligible expenses?**

A: Yes, as long as the teleworking was to mitigate or assist with the COVID-19 outbreak. It cannot be so staff can do their everyday operational work.

*Eligible Expenses (ONLY for Counties, Municipalities, and Non-Profits? What about Businesses)*

**Q: Are operating expenses such as monthly loan payment of equipment eligible?**

A: A grant made to cover interest and principal costs of a loan, including interest and principal due after the period that begins on March 1, 2020, and ends on December 30, 2020 (the "covered period"), will be considered to be incurred during the covered period if (i) the full amount of the loan is advanced to the borrower within the covered period and (ii) the proceeds of the loan are used by the borrower to cover expenses incurred during the covered period. In addition, if these conditions are met, the amount of the grant will be considered to have been used during the covered period for purposes of the requirement that expenses be incurred within the covered period. Such a grant would be analogous to a loan provided by the Fund recipient itself that incorporates similar loan forgiveness provisions. As with any other assistance provided by a Fund recipient, such a grant would need to be determined by the recipient to be necessary due to the public health emergency.

*Eligible Use for County Funds*

**Q: Under Other Human Service providers, can we make them whole or would they have to qualify as a small business for funding?**

A: The County would have to develop a Small Business Assistance program and they would have to qualify.

**Q: Regarding the behavioral health and substance use disorder treatment grants - can those funds cover revenue replacement (essentially "make them whole") and/or PPE purchase (including costs such as plexiglass barriers for public spaces)?**

A: The County would have to establish a Small Business Assistance program to provide funding to cover revenue replacement. The guidance provided by the U.S. Treasury does not clearly state whether revenue replacement is allowable or not. As for PPE purchases, this would be an eligible expenditure under the CARES Act.

*Employees*

**Q: Please define public safety employees who do not need additional justification.**

A: Local police officers enforcing the mandated shutdown, staff used at testing sites to direct traffic, for example.

Equipment Purchases

**Q: If equipment, such as that used in direct response to COVID-19 as allowed via Section 131-C(1) of PA Act 24 of 2020, would be purchased with CRBG funds, can it be installed and operational AFTER Dec. 30th?**

A: Yes, but you will not be able to keep CARES Act funding for the installation. Only expenditures that are for services performed during March 1, 2020 - December 30, 2020 would be eligible.

Expenditures

**Q: How is DCED defining "COVID related losses and expenses"?**

A: DCED is not defining COVID related losses and expenditures. This has been defined in guidance given by the United States Treasury Department in the Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments issued April 22, 2020 and the associated Frequently Asked Questions last updated July 8, 2020.

Fairs

**Q: Our County Fair was cancelled this year due to COVID-19. The fairgrounds also operate our Convention Center which had to cancel most, if not all, venues. Would a grant to the fairgrounds qualify under these?**

A: Per Act 24 of 2020, it would qualify as an entity eligible for funding.

FSR Reporting

**Q: Will a Monthly Report template and a Final Report template be released by DCED or the Treasury?**

A: Quality Assurance and Operational Support Division in the Financial Management Center has already released a Financial Status Report (FSR) document that will be used by each county to report expenditures monthly, starting with the first FSR being due September 1, 2020. This was already distributed in an email with your finalized contract and will be available on the DCED website.

Funding

**Q: How will DCED/PA re-distribute any unexpended funds post November 30, 2020?**

A: Per Act 24, the re-distribution will be based on the same formula that was used to distribute the original funding to the Counties. Counties will not have to have expanded their original amount to receive their share of the re-distribution.

**Q: For subgrantees, is this reimbursement only? Or may we make an up-front grant?**

A: You may make up from grants but at some point, the advanced funds must reconcile to the actual expenditures--similar to your grant with DCED.

Funding Sources

**Q: Do you have a list of all the CARES funding sources to help us prevent duplication?**



A: The County needs to determine its community's needs and develop its programs based on those needs. Other available economic development resources can be found on DCED's website at [dced.pa.gov](http://dced.pa.gov)., including Small Business Assistance, Hazard Pay and others.

#### Fundraising

**Q: Non-profit organizations hold fund raisers to promote their mission. In most cases, to achieve their mission it can take years to accumulate funds. Therefore, if non-profits are eligible to have funds replaced from fundraisers cancelled due to COVID, how would one expect them to spend the funds by 12/30/20? A good example is a community non-profit swimming pool that will close on Labor Day. How could they spend the lost revenue from the entire summer?**

A: There is no guidance from the U.S. Treasury that reimbursement of lost revenue is permissible; therefore, if the County would choose to reimburse for lost revenue then it would be doing so at its own risk. If you choose to reimburse the entity for expenditures, those expenditures must fall between March 1, 2020 and December 30, 2020.

#### Grant End Date

**Q: Must ALL expenses, including sub-grant recipients, be incurred by December 30th, or do we still have an additional 90 days afterwards to expend funds? Can funds be put into an escrow account if it is for a project that is eligible, but not expected to be finished by December 30, 2020? For example, if projects that have been identified for funding, but the work is not completed by December 30, 2020, and the funds have not been dispersed, can those funds remain on county books until the project is completed?**

A: All expenditures paid with CARES Act funding must be incurred and all work/installation completed prior to 12/30/2020. Any costs or construction that occurs after 12/30/2020 would have to be paid for with other funding. In addition, the 90 days is for finalizing and reporting back to the Commonwealth.

**Q: Is there a chance that the December 30th deadline will be extended?**

A: This would require a change to the CARES Act or a change from the Federal Government. Each County should proceed as if the money will expire December 30, 2020

**Q: Do the seven (7) counties that received funding directly from the federal government have to expend those funds by December 30, 2020? If no, why do the sixty (60) that received funding via the state have to?**

A: Yes, they have the same timeframe as the Commonwealth's sub-recipients.

**Q: As applications start to roll in, can project proposals/invoices be funded if the work hasn't been started yet as long as it is completed by December 30? Or can this funding only be distributed to reimburse receipts of already expended organizational funds?**

A: You can advance money if that is allowed by your County. However, at some point the advanced funds must reconcile to the actual expenditures--similar to your grant with DCED.

**Q: In some of our earlier COVID grants that we have received (from PCCD and some PEMA/FEMA funding that has been made available to us), the start date goes back to 1/20/20. If this is federal money being passed thru the state and then onto the counties, why isn't DCED's using the same 1/20/20 start date to help grantees re-coup as much as possible and to be consistent with other federal COVID funding we've received?**

A: The County Block funding is from a specific fund created by the CARES Act. The State, Local and Tribal relief fund that funds this program, follows specific dates as established by the US Treasury guidance. DCED cannot change the covered period for incurred costs.

#### Guidelines

**Q: What guidelines were provided to the seven (7) counties that received funding directly from the federal government, and why would the (sixty) 60 counties who received federal funding, via the state, not use the same guidelines?**

A: The same US Treasury guidance applies to all counties. However, Act 24 of 2020, passed by the General Assembly and signed into law by Governor Wolf, added additional requirements to the use of funds for the CRBG program.

#### Hazard Pay

**Q: Can hazard pay be an eligible expense? There is "Hazardous Pay" for employees in life-sustaining occupations during the coronavirus pandemic. Does this apply to county employees (maintenance workers, Dept. of Emergency Management, Children & Youth case workers)?**

A: Yes, Hazard pay is eligible if it fits the following definition: Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19. The Guidance says that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Hazard pay is a form of payroll expense and is subject to this limitation; therefore, Fund payments may only be used to cover hazard pay for such individuals.

#### Ineligible Expenditures

**Q: Do the commissioners have the authority to ask for the funding back if they have knowledge the funds were not used for the intended purposes?**

A: The Treasury Department would seek to recoup the funds from the government that received the payment directly from the Treasury Department. State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance. The Commonwealth would seek repayment from the County and the County should seek repayment from its sub-recipients.

**Q: What happens if a county expends CRBG funds for a service, item, or action, and then DCED will not approve the expenditure?**

A: The County is responsible for reviewing the guidance provided by the U.S. Treasury for the CARES Act to ensure its programs are in compliance with the CARES Act. If the U.S. Treasury or DCED would determine that an expenditure was ineligible, the County or its sub-recipients would be required to return those funds to the Commonwealth and they would go back to the U.S. Treasury.

#### Interest Earned

**Q: Interest will be earned on the Block Grant money received. Under Guidance, ALL of the interest earned can be used for COVID purposes, but the DCED statement says that we have to return all but \$500. Which is correct?**

A: For those Counties who expend all their funding provided under the CARES Act will be able to use any interest earned for COVID related purposes. If a County has to return unused funds to the Commonwealth, then those funds would also include any interest earned. In addition, these funds cannot be used for administrative expenditures that would exceed the statutory limit of 2% of your award or a maximum of \$200,000 (whichever is less).

#### Leave

**Q: Is administrative leave eligible if it wasn't budgeted?**

A: The federal statute requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As stated in the Guidance, a cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget; or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. If the cost of an employee was allocated to administrative leave to a greater extent than was expected, the cost of such administrative leave may be covered using payments from the Fund.

#### List of Businesses

**Q: We are asking them to self-report prior loans and grants; however, can we get a county list of business which have applied already, to try to do some front-end screening here?**

A: It is recommended that the county administering a small business program request certification to prevent duplication of benefits from eligible applicants.

#### Local Government Expenses

**Q: Does "medical" refer only to costs incurred by a government unit? Does that mean we cannot reimburse a pharmacy or hospital for such cost?**

A: Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals must be in the form of a grant.

#### Matching Funds

**Q: We would like to pursue the request from Treasury to use some of the CARES act funding that went to the state, then to the counties as potential cash match. We were told by SBA that had to**

request approval from the director of the CARES Act funding for this specific source of funding. Several centers are receiving additional county funds this fall for specific projects, so we think it could be helpful, especially if additional CARES Act funding is continued into 2021.

A: No, DCED does not have a contact at the Treasury.

#### Monitoring

**Q: When will audits be conducted to validate that the money was used in the appropriate manner?**

A: Monitoring will be beginning in August of 2020 and audits will be based on your Single Audit schedule.

**Q: While DCED has answered some questions on prior calls, no official changes or updates on the DCED site have been posted. How can someone audit the program without clear guidance in print?**

A: Guidance has been given from the U.S. Treasury on how this money can be expended and that will be what is used by DCED to monitor its sub-recipients (Counties). The Counties are responsible for monitoring their sub-recipients to ensure compliance with the U.S. Treasury's Guidance.

**Q: Could you clarify--will DCED monitor, or may DCED monitor?**

A: DCED reserves the right to monitor these funds, however, the County is responsible for ensuring that funds are used for eligible expenses per the state and federal guidance.

**Q: How quickly will you review the reports and notify the county if you have concerns or issues in order to re-deploy funds?**

A: We are hoping to have the September 2020 FSR monitoring completed by September 30, 2020 or sooner. This will depend on your cooperation and how fast you get documentation to us to review.  
NOTE: Fiscal status reports are due to DCED by the first of the month (beginning September 1st).

#### Non-Profits

**Q: Are all nonprofit organizations eligible for funding? 501c3, 501c4, 501c6? We envisioned making funding available to all NPOs, so long as it certifies that a majority of its work does not pertain to political activities.**

A: Per Act 24 of 2020, 501(c)4 and 501(c)6 organizations are not a permitted recipient of the CARES Act funding. They are allowed to be a sub-recipient and assist the County and Local Municipalities with administering the CARES Act funding.

**Q: There are many not-for-profit community support organizations not formally organized as 501(c)3, such as those which support high school programs (athletics, band, drama, cheerleaders, orchestra) by assuming many costs which the schools have written out of their annual budgets. Are grants to them allowed?**

A: No. Per Act 24, only 501c3 and 501c19 non-profits are eligible for grants under this program.

**Q: Is a church eligible for reimbursement of its COVID-related costs for cleaning, equipment, and professional service costs to provide virtual worship services? Are communication costs (mailing, website, etc.) eligible? This would be a cost reimbursement, not a grant for decreased contributions.**

A: If a church is organized as a 501c3 nonprofit, and has eligible expenditures associated with the pandemic, per the federal and state guidance, they would be eligible.

**Q: Are churches organized as 501(c)3 nonprofits eligible for funding to cover losses they had as a direct result of COVID?**

A: If a church is organized as a 501c3 nonprofit, and has eligible expenditures associated with the pandemic, per the federal and state guidance, they would be eligible.

**Q: With the Office of State Fire Commissioner announcing the COVID fire and EMS grants earlier, counties are asking if there are any restrictions or parameters around whether they can also give their county relief funds to provide financial assistance to fire and EMS. First, do fire and EMS fall under the guidelines for the block grant at all, and second, if they do, would the grants be similar to the small business grants? Further, if a fire/EMS company that already received state funds from OFSC can they also get county block grant funds, or would preference be given to those that didn't get funds from the OSFC?**

A: A County can set up programs for businesses and non-for-profits but would need to be certain that recipients of these funds are not receiving reimbursement from multiple sources for the same expenditures. There cannot be a duplication of expenditures.

**Q: For Non-profit, you exclude reimbursement from other funding sources, and then said from other government units. Does that mean that contributions could be ignored?**

A: There is no clear guidance from the U.S. Treasury that reimbursement of lost revenue is permissible; therefore, if the County would choose to reimburse for lost revenue, then it would be doing it at its own risk.

#### Payroll

**Q: My county has received a grant allocation from the DCED County COVID-19 Relief grant. Is M5 payroll associated with our COVID-19 mitigation response covered by these funds? The M5 payroll code captured all of the time employees were off work (non-productive time) and paid, as if they worked, in order to exercise the necessary precautionary safety measures and protocols related to ensuring and protecting our employees' health and the general public's health during this COVID-19 pandemic.**

A: Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. The statute requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As stated in the Guidance, a cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget; or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. If the cost of an employee was

allocated to administrative leave to a greater extent than was expected, the cost of such administrative leave may be covered using payments from the Fund.

**Q: Can part of the HR Director's salary be offset (i.e., the position is substantially different) because about 15% of tasks were COVID-19 related during recent months.**

A: Any payroll charged to the grant must be supported with a timesheet and must be for tasks relating to the pandemic.

**Q: Is compensatory time that was given to first responders on top of Hazard Pay eligible for reimbursement? This would be a direct result of response.**

A: Hazard pay is an eligible expenditure. DCED is not aware of a monetary loss when awarding compensatory time so if there was a monetary loss for compensatory time then it would be eligible.

**Q: Is non-childcare Emergency Sick Leave or Exposure pay qualified for reimbursement or just costs related to first responders?**

A: The statute requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As stated in the Guidance, a cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget; or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. If the cost of an employee was allocated to administrative leave to a greater extent than was expected, the cost of such administrative leave may be covered using payments from the Fund.

**Q: Can CARES Act County Block Grant be used to reimburse wages for COVID-19 sick time?**

A: The statute requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As stated in the Guidance, a cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. If the cost of an employee was allocated to administrative leave to a greater extent than was expected, the cost of such administrative leave may be covered using payments from the Fund.

**Q: During the March-April shutdown period, my County closed the courthouse and other buildings for public safety under the COVID response order. We instructed employees to do as much work from home as possible and log those hours. Rather than laying them off with reduced gross pay from fewer hours, we continued them at full normal pay, logging the paid but not worked hours as "Paid Administrative Leave". We continued their regular health insurance benefits. We thereby saved the state unemployment fund a substantial amount. Is that reimbursable to the County from the COVID block grant? In addition, are wages for Emergency Sick leave and EFMLA and related benefits eligible as a direct cost, since those benefits were required by federal law due to school closures and child care closures?**

A: 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.

**Q: Can counties use funds for a portion of Commissioner, Chief Clerk, Planning staff, and maybe others' salaries and benefits where they have redirected their focus for COVID planning and outreach? A large portion of Commissioners' time has gone into webinars, conference calls, grant qualifications, procuring PPE, and public outreach over the past four months. If CARES funding may be used, must that be taken from the administrative part of the grant? Also, can counties use funds for providing continued benefits to furloughed employees (health insurance), and can they use funds for the first weeks of the pandemic when we paid salaries and benefits for some of our employees who were not working on site and could not work remotely? In both, cases these funds were budgeted but we ended up paying people who were not doing any work for the County.**

A: Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. All staff time charged to this grant will need to be supported with timesheets.

**Q: Please provide additional details or examples of County positions for which payroll expenses are eligible as COVID-19 response under the guidance of being "substantially dedicated." Could this include procurement or human resources staff, or corrections staff if their work duties are substantially dedicated to responding to the public health emergency?**

A: If you are purchasing PPE or procuring a site to store PPE, then those hours would be eligible if supported with a timesheet. Corrections officers are identified in the guidance given as eligible costs as long as their duties were to address the public health emergency.

**Q: Can this funding provide reimbursement for paying employees under the Families First Coronavirus Relief Act? For example, those who were sent home to be tested or quarantined, or those who had to take care of their children?**

A: The Families First Coronavirus Response Act provided for eligible employees under covered employers to obtain paid sick leave. Eligible employers would receive a leave credit and should consult their tax attorney, accountants or the IRS on reimbursement. County Relief money is not to be used for this purpose.

**Q: From the Guidance, we understand that the payroll cost of all non-administrative police and other first responders is presumed to be due to the need to respond to COVID-19 and is therefore an allowable amount to be granted to municipalities. Are we correct in that understanding, namely, that**

**gross payroll is an allowed cost, not just the cost more than a prior year? In addition, the Guidance seems to state that “payroll cost” does not allow the related employer taxes for FICA, Medicare, and worker’s compensation insurance. Can those costs be claimed because they are an unavoidable cost of having paid gross wages?**

A: The Guidance states that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

#### Planning Costs

**Q: The County is incurring expenses for small equipment and supplies to develop our plan for identifying grantees and amounts of sub-grants. Are we correct to account for this as a direct planning cost?**

A: Yes, expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

#### Prisons

**Q: Due to a significant drop in our county inmate population as well as a significant drop in our Immigration & Customs Enforcement population, in January our Prison Board discussed furloughing a substantial portion of our prison staff. As a result of COVID-19, the furloughs were delayed so that cell blocks could remain open so that new arrivals could be quarantined for a 14-day period and existing detainees could be socially distanced. Would the wages and benefits of the corrections officers that were not furloughed as a result of the pandemic be an eligible expense?**

A: The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

#### Procurement

**Q: What are the procurement requirements when procuring goods and services under the CARES Act funding? Would bidding be required for services, such as engineering for a design/build project for broadband deployment? Must we put out an RFP in certain circumstances?**

A: The CARES act does not require adherence to section 200.318 of the Uniform Guidance (2 CFR 200). The County or Municipality must follow its own procurement policy and procedures when procuring goods and services.



Public Health

**Q: The costs of quarantining individuals is an eligible cost. Does the emergency paid sick leave enabled by the CARES Act sufficiently cover this expense? We have requests to the County Relief Fund to reimburse for the costs of quarantining individuals but do not want to duplicate the EPSL program.**

A: No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

Public Health & Safety Work

**Q: Regarding health and public safety work being covered, is this only for those wages above what had previously been budgeted, or ALL of those individuals' work? Are 100% of payroll costs for public safety personnel eligible during the identified timeframe even if only a percentage of the work is directly related to COVID-19 response and mitigation?**

A: The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

Public Safety

**Q: Are timesheets required for police payroll?**

A: No, due to the guidance that the Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

Regulations

**Q: What is DCED going to do in the event of federal legislation changing rules and guidelines of CRF funds?**

A: DCED will revise its guidelines and each County will be informed of any changes in the guidelines.

### Reporting

**Q: What are the due dates for the required reports? What dates do the required reports cover? Are there any templates/resources, etc. that would help assist us when we distribute money from the grant to businesses, etc.?**

A: The County will be completing a Financial Status Report (FSR) on how they are expending the funds to DCED. The first FSR is due September 1, 2020. A Financial Status Report (FSR) and the general ledger supporting the FSR is due September 1, 2020; October 1, 2020; November 1, 2020; December 1, 2020; and the final report due February 1, 2021. The September 1, 2020 FSR will cover expenditures from March 1, 2020 through August 31, 2020; October 1, 2020 FSR will cover expenditures from March 1, 2020 through September 30, 2020; November 1, 2020 FSR will cover expenditures from March 1, 2020 through October 31, 2020; December 1, 2020 FSR will cover expenditures from March 1, 2020 through November 30, 2020; and February 1, 2021 FSR (the final submission) will cover expenditures from March 1, 2020 through December 30, 2020.

### Revenue

**Q: Is there another program coming soon that will allow the counties and municipalities to apply for losses of revenue? Is this still something we can expect and can we apply for the loss of room tax due to reduced travel and drop in business travel? What about any other fees such as reduced sales of hunting licenses, fishing licenses, and others that were not collected because the courthouse was closed to the public?**

A: Fund payments under the CARES Act may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

**Q: It's projected that delinquent property taxes will increase considerably because of COVID. Will counties be able to recover any of that?**

A: Fund payments under the CARES Act may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

### Small Business Assistance

**Q: If the business received Payroll Protection Program funds, can they receive other funds under the County Relief Block grant?**

A: If an applicant for County CARES Act funding has already been provided a PPP or Economic Injury Disaster Loan at the Federal level, there can be no duplication of benefits. However, per Act 24, priority should be given to businesses that did not receive a loan or grant through the PPP or EIDL program.

**Q: If funds are not used for the same thing (i.e., the first funds were used to cover eight (8) weeks of payroll), can the County Relief funds be used for rent, mortgage, equipment payments, etc.?**

A: A grant made to cover interest and principal costs of a loan, including interest and principal due after the period that begins on March 1, 2020, and ends on December 30, 2020 (the "covered period"), will be considered to be incurred during the covered period if (i) the full amount of the loan is advanced to the borrower within the covered period and (ii) the proceeds of the loan are used by the borrower to

cover expenses incurred during the covered period. In addition, if these conditions are met, the amount of the grant will be considered to have been used during the covered period for purposes of the requirement that expenses be incurred within the covered period. Such a grant would be analogous to a loan provided by the Fund recipient itself that incorporates similar loan forgiveness provisions. As with any other assistance provided by a Fund recipient, such a grant would need to be determined by the recipient to be necessary due to the public health emergency.

**Q: Does a business have to have been closed (either partially or fully) to receive County Cares Act funding?**

A: Counties should develop their small business programs based on need. The County can develop its own guidelines to determine which businesses receive funding, as long as the program conforms with eligibility requirements in Act 24.

**Q: If the PPP covered the payroll for the eight (8) weeks of May and June, can the County Relief funds be used for payroll for a different timeframe (July and August, for example)?**

A: Yes, it may be used for another period of payroll.

**Q: There appears to be a conflict between the state law and DCED guidelines. The law states priority is given to those businesses that did not receive money from PPP or Economic Injury Disaster Loan. DCED says businesses that did receive this federal aid are not able to receive the county block grant. Can we get clarification?**

A: If an applicant for County CARES Act funding has already been provided a PPP or Economic Injury Disaster Loan at the Federal level, we need the County to ensure that it is not providing the applicant with money for the same expenditures covered by the previously provided PPP or Economic Injury Disaster Loan. There can be no duplication of benefits.

**Q: Per review of the wording in the legislation, the language in the original grant guidelines and the wording in the actual contract, there has been much discussion in my County about how we may classify or qualify certain businesses to receive quite a large chunk of our CARES money. The legislation indicated small business is defined as less than 100 employees with priority to those who did not receive PPP or EIDL funding. Businesses and other entities primarily engaged in tourism industry regardless of size. The grant guidance says "shall" be used for small business grant programs under 100 that did not receive the above funding. Tourism of all sizes. The actual contract says Grant programs to support businesses with fewer than 100 employees & to support businesses and other entities that are primarily engaged in tourism. Then non-profits under 501(c)3 or 19 (Veterans groups). In my County, tourism is a primary industry but it also tends to be seasonal, so a restaurant or even a grocery store or gas station is dependent on tourism during our summer and fall months for their income. Is there a recommendation or information to assist us in developing a definition of "primarily engaged in tourism" and is it up to the counties, based on the contract to determine if the PPP or EIDL funding is a component of the "application." We also have a large, large summer camp industry. Many of these camps host out of state visitors and out of the country employees. Do they qualify? They were not able to open. Some do have other revenue models, such as weddings or other retreats. Who can help guide us through this process?**

A: The many types of businesses you have identified could qualify for Small Business Assistance as long as the business meets the definition set forth by legislation. In addition, if an applicant for County CARES Act funding has already been provided a PPP or Economic Injury Disaster Loan at the Federal level, you must ensure that it is not providing the applicant with money for the same expenditures covered by the previously provided PPP or Economic Injury Disaster Loan. There can be no duplication of benefits.

**Q: Will the counties have to produce applicants' confidential financial and business information through Right to Know or Freedom of Information Act requests?**

A: DCED would be obliged to ask the counties for the company's information, if asked for and if related to the county relief fund program, however, there are statutory exemptions that DCED would rely upon to deny the request for any such cpi information, including the records exemption below:

§ 400.5106. Public record exemption - Financial statements, business plans and marketing information submitted to the department by companies seeking or receiving financial assistance under any of the department's financing programs are not public records for purposes of the act of June 21, 1957 (P.L. 390, No. 212), referred to as the Right-to-Know Law."

**Q: For those ambulance businesses, they also provide transport to hospitals and temporary morgue services because of COVID. Can we make a business grant for their unreimbursed costs?**

A: Yes, that would be an eligible expenditure.

**Q: Our region has been hurt economically by the shutdown, but some individual businesses have not. They are our best expectation for job growth. Can we make business expansion grants to seize the opportunity for economic recovery?**

A: No. In order for a business to receive funding from the CARES Act it must have been negatively impacted by the COVID-19 outbreak and shutdown.

**Q: A small business receive a lesser grant award, as authorized in Section 131-C(2) of PA Act 24 of 2020, if the business only received a portion of funding that is available through the Federal PPP since Act 24 alludes to only providing priority to those businesses that did not receive PPP funds and not outright banning businesses from receiving funding from both sources?**

A: The County must determine its own guidelines and limits on funding so that it serves the greatest amount of people in need. If an applicant for County CARES Act funding has already been provided a PPP or Economic Injury Disaster Loan at the Federal level, we need the County to ensure that it is not providing the applicant with money for the same expenditures covered by the previously provided PPP or Economic Injury Disaster Loan. There can be no duplication of benefits

**Q: Will DCED share with Counties any businesses that have requested small business grants through the CDFIs and/or require the CDFIs to share that info with the counties for any businesses in that respective county?**

A: Yes, when the information is available for public release.

**Q: Please be more specific as to eligible costs for the small business grants component of the block grant. Is the program intended to be for revenue replacement only? For example, it was stated**

**that utilities and rent are eligible for grant money. However, in a cash flow business, the revenue that comes in is what is used to pay the rent, utilities, etc. In addition, is a small business eligible for grant money for items such as utilities, mortgage or rent payment, equipment leases, property taxes, utilities, and their marginal variable costs. There are conflicting statements in the Guidance as to grants for lost revenue. Would these be allowable expenditures? Finally, if ambulance services are for-profit businesses, (serving as first responders, they provide EMT services at a residence but earn a fee if the patient declines transport to a hospital for fear of COVID exposure at the hospital environment), is the service cost an allowed expenditure?**

A: The Guidance from the U.S. Treasury clearly identifies funding can be used for expenditure reimbursement due to business interruption. There is no clear guidance from the U.S. Treasury that reimbursement of lost revenue is permissible; therefore, if the County would choose to reimburse for lost revenue it would be doing it at its own risk.

**Q: Is there any circumstance where a small business grantee would be considered a sub-recipient under Uniform Guidance, requiring a risk assessment and monitoring?**

A: That would depend on the responsibilities of the small business with relation to the administration of the grant. A small business could receive funds as a sub-recipient. We do believe that most for-profit businesses will end up being recipients of funding or grants and will not require risk assessment but they may have to provide documentation during the Commonwealth's or County's monitoring process.

**Q: May the grant to a certified industrial development corporation, who is providing assistance to businesses with COVID-19 items include a portion for soliciting, evaluating and making recommendations to the County for small business grants?**

A: Any expenditures charged by a certified industrial development corporation would have to be in response to the current COVID-19 pandemic.

**Q: If a business with less than 100 employees qualified for a PPP loan in March-April-May and received that money, can it also qualify for additional PPP for June through December?**

A: This would be a question for the Small Business Administration as to whether or not an additional PPP loan can be acquired. We are strictly dealing with CARES Act and the funding that was provided to County.

**Q: For a farm business, what is the allowed cost reimbursement for destruction of eggs, animals, or produce because they cannot be taken to market? Can they be granted reimbursement for the allocated share of cost incurred to that point (feed, labor, utilities, etc.)? This would be after deducting any CARES grant they received from Dept of Ag, etc. Guidance covers "livestock depopulation" costs but does not speak to the destroyed accumulated cost.**

A: The expenditures listed could be reimbursable expenditures due to a "business interruption" but may or may not be a complete listing.

**Q: The new directive gives preference to businesses who did not receive funding through the Federal Paycheck Protection Program or the Economic Injury Disaster Loan Program. We still haven't gotten clarification on how funding that must be paid back affects our grants. Example: Verified loss**

**of \$20,000 received \$2,000 PPP that will not be paid back and \$5,000 loan that must be. Is the maximum they can receive as a grant \$18,000 (\$20,000 less \$2,000) or \$13,000 (\$20,000 less \$7,000)?**

A: It is recommended that the county administering a small business program request certification to prevent duplication of benefits from eligible applicants.

**Q: For Small Business, does anyone have a selection criteria decision making matrix that could be shared?**

A: We strongly recommend that if the County is going to offer a Small Business Assistance program that it tailors its program based on its County's needs. Each County has many different factors that could drive its needs.

**Q: Will an individual with multiple LLCs be allowed to apply for a grant for each entity or are they limited to one, given the common ownership?**

A: The County is responsible for establishing its own guidelines that are in compliance with the CARES Act. The programs the County develops should address their community needs with getting out as much help as possible.

**Q: When do you think you will have a definitive answer as to whether lost revenue can be compensated to businesses and non-profits?**

A: When the U.S. Treasury provides additional guidance on the topic. The Guidance from the U.S. Treasury clearly identifies funding can be used for expenditure reimbursement due to business interruption. There is no clear guidance from the U.S. Treasury that reimbursement of lost revenue is permissible; therefore, if the County would choose to reimburse for lost revenue it would be doing it at its own risk.

**Q: Is there any way that a business could be considered a sub-recipient?**

A: That would depend on the responsibilities of the small business with relation to the administration of the grant. A small business could receive funds as a sub-recipient. We do believe that most for-profit businesses will end up being recipients of funding or grants and will not require risk assessment, but they may have to provide documentation during the Commonwealth's or County's monitoring process.

#### *Sub-Contract/Sub-Recipient Agreements*

**Q: Must all sub-recipient agreements need to be approved by DCED?**

A: DCED will be waiving this requirement but reserves the right to review any sub-recipient agreement during the monitoring process.

**Q: Should there be a written agreement with nonprofits, businesses, municipalities, etc. that states compliance requirements like the DCED contract? Will DCED supply a template for such written agreements.**

A: DCED agrees there should be an agreement between the County and its sub-grantee or recipients which has compliance requirements like your DCED contract. All DCED contract provisions

flow down to each sub-agreement. DCED will not supply a template and recommends that counties discuss how that template should look with their County solicitor.

#### Supporting Documentation

**Q: If an eligible business or non-profit receives a grant, what documentation must they produce to justify the grant? Is there minimum information we should be collecting for all applicants? Do you need timesheets to go along with auditor or other like expenses? What are you looking for in a general ledger report?**

A: It is the County and their sub-grantee's responsibility to keep records of expenditures; so, it will be available in case of audit. They must be able to show how expenditures were incurred and the necessity of each expenditure. Each County must ensure that it has access to the records that support expenditures charged to this grant. If the County does not want to maintain all the documentation to support expenditures to this grant, your agreement with applicants should cover access for the County, DCED, and the U.S. Department of Treasury. In addition, all documentation supporting expenditures charged to this grant must be maintained for five (5) years after the close of the grant. Timesheet requirements are for County and sub-recipients that have not been procured. A vendor providing a professional service that has been procured should provide a detailed invoice outlining the hours worked on the project and their hourly rate per their contract. Finally, an accounting system record that shows original recording of the expenditure and is traceable back to the Financial Status Report. This could be a simple spreadsheet that tracks each entry.

#### Tourism

**Q: For tourism, does marketing to bring people back to re-opened attractions qualify?**

A: The County can provide assistance to tourism as a reimbursement of operating expenditures due to an interruption in their business or they could provide revenue reimbursement for the period of the interruption. The Guidance from the U.S. Treasury clearly identifies funding can be used for expenditure reimbursement due to business interruption. There is no clear guidance from the U.S. Treasury that reimbursement of lost revenue is permissible; therefore, if the County would choose to reimburse for lost revenue it would be doing it at its own risk. In addition, they could reimburse for PPE purchases for the cost of implementing safety measures to mitigate the spread of the COVID-19 health emergency.

#### Unemployment Comp

**Q: Can counties fund an increase in UC fund contributions through the end of December? In addition, are all the PA unemployment fees we will be paying for all of the COVID related layoffs of crossing guards and pool employees who have filed against us eligible? Because school ended early and we did not reopen our pool, is this an eligible expense under this grant?**

A: Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.