

# Coronavirus Relief Fund Terms and Conditions For Local Governments



State of Nevada

*Administered by the Governor's Finance Office, Budget Division*

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## Overview

Under the federal Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), the Coronavirus Relief Fund (“Fund”) may be used to reimburse local governments in response to the COVID-19 public health emergency. The federal awarding agency is the U.S. Department of Treasury. The Inspector General of the United States Department of the Treasury (“Treasury”) conducts monitoring and oversight of the receipt, disbursement and use of these funds.

The CARES Act authorized \$150 billion through the Fund for state and local governments, including \$1.25 billion for Nevada. A portion of the State’s total allotment was reserved for local governments that have a population in excess of 500,000. As a result, the City of Las Vegas and Clark County elected to receive direct allocations from the Treasury. The State of Nevada received \$836 million from the Fund, of which \$148.5 million will be allocated to counties and incorporated cities outside of Clark County with populations of less than 500,000.

**Funds may NOT be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.**

## About This Document

In this document, local governments will find the terms and conditions applicable to payments distributed in the form of “other financial assistance” under 2 C.F.R. § 200.40 from the Coronavirus Relief Fund (CFDA 21.019), established within section 601 (a) of the Social Security Act, as added by section 5001 of the CARES Act.

The agreement is subject to additional terms, conditions, and requirements of other laws, rules, regulations and plans recited herein. It is intended to be the full and complete expression of and constitutes the entire agreement between the parties. All prior and contemporaneous understandings, agreements, promises, representations, terms and conditions, both oral and written, are superseded and replaced by this agreement. Notwithstanding any expiration or termination of this agreement, the rights and obligations pertaining to the close-out, cooperation and provision of additional information, return of funds, audit rights, records retention, public information, and any other provision implying survivability shall remain in effect after the expiration or termination of this agreement.

To the extent the terms and conditions of this agreement do not address a particular circumstance or are otherwise unclear or ambiguous, such terms and conditions are to be construed consistent with the general objectives, expectations and purposes of this agreement and in all cases, according to its fair meaning. The parties acknowledge that each party and its counsel have reviewed this agreement and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this agreement. Any vague, ambiguous or conflicting terms shall be interpreted and construed in such a manner as to accomplish the purpose of the agreement.

### Eligible Uses

Under the CARES Act, the Coronavirus Relief Fund (CRF) may be used to cover costs that:

1. Were **incurred** during the period that begins on March 1, 2020, and ends on December 30, 2020.
2. Are **necessary expenditures** incurred due to the public health emergency with respect to COVID-19.
3. Are NOT accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government. The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government. A cost meets this requirement if:
  - 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.
  - c. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

### Definitions (as reference above)

“**Incurred**”: A cost is “incurred” when the responsible unit of government has expended funds to cover the cost.

“**Substantially different use**”: a cost incurred for a “substantially different use” includes but is not limited to:

1. Costs of personnel and services that were budgeted for in the most recently approved budget as of March 27, 2020 but which, due entirely to COVID-19 have been diverted to substantially different functions. Examples include but are not limited to the costs of:
  - a. redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures;
  - b. redeploying police to support management and enforcement of stay-at-home orders;
  - c. 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.
2. A public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. An example is:
  - a. developing online instruction capabilities may be a substantially different use of funds, however online instruction itself is not a substantially different use of public funds than classroom instruction.

### Available Funds

Per Federal guidelines, the CRF has been allocated in proportion to population.

Note that to the extent actual expenditures are less than the amount requested, local governments will be required to return the balance of unspent funds to the State of Nevada on or before March 1, 2020 (within sixty 60 calendar days of the end of the period of performance).

This approach is intended to get money out to the local governments quickly, and to allow adjustments over the coming months.

Funds can be transferred to another unit of government provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act, as outlined in Treasury guidance. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State. Jurisdictions are not required to transfer to smaller constituent units with borders (e.g. county does not have to transfer funds to smaller cities within the county's borders).

Local governments shall adopt and maintain a system of internal controls which results in the fiscal integrity and stability of the organization, including the use of Generally Accepted Accounting Principles (GAAP) and Generally Accepted Government Auditing Standards (GAGAS).

### Period of Performance

The Coronavirus Relief Funds may only be used for costs incurred by local governments in response to the COVID-19 public health emergency during the period of March 1, 2020 through December 30, 2020.

### Eligible Costs

There are seven (7) primary eligible cost categories. These cost categories and their eligible cost sub-categories are as follows:

1. COVID-19 related expenses to address **medical needs** of:
  - a. Public hospitals, clinics and similar facilities
  - b. Providing COVID-19 testing, including serological testing
  - c. Emergency medical response, including emergency medical transportation related to COVID-19
  - d. Establishing and operating public telemedicine capabilities for COVID-19-related treatment
  - e. Establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs

2. COVID-19 related expenses to address **public health needs** including:
  - a. Communication and enforcement by State, territorial, local, and Tribal governments of public health orders
  - b. Acquisition and distribution of medical and protective supplies:
    - i. sanitizing products
    - ii. personal protective equipment (PPE) for:
      1. medical personnel
      2. police officers
      3. social workers
      4. child protection services
      5. child welfare officers
      6. direct service providers for older adults and individuals with disabilities in community settings
      7. other public health or safety workers in connection with the COVID-19 public health emergency
  - c. Disinfection of public areas and other facilities, e.g., nursing homes
  - d. Technical assistance (knowledge transfer) to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety
  - e. Public safety measures undertaken in response to the COVID-19 public health emergency
  - f. Quarantining individuals
  - g. Contact tracing
3. **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.
  - a. Providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions
4. Expenses of actions **to facilitate compliance** with COVID-19-related public health measures, such as:
  - a. Food access and delivery to residents (e.g. senior citizens and other vulnerable populations)
  - b. Distance learning, including technological improvements, in connection with school closings
  - c. Improvement of telework capabilities for public employees
  - d. Maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures
  - e. Care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions
  - f. Improving social distancing measures

5. Expenses associated with the provision of **economic support** in connection with the COVID-19 public health emergency, such as:
  - a. Grants to small businesses to reimburse the costs of business interruption caused by required closures or decreased customer demand as a result of the COVID-19 public health emergency
  - b. Emergency financial assistance to individuals and families directly impacted by a loss of income
  - c. A state, territorial, local, or Tribal government payroll support program
  - d. A consumer grant program or rent relief program to prevent eviction and assist in preventing homelessness (if grant is considered to be a necessary expense due to COVID-19 and it meets the other Fund requirements)
  - e. Unemployment insurance costs 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.
  
6. Expenses to **respond to secondary effects** of the current COVID-19 public health emergency including:
  - a. Creating a reserve of PPE or developing increased Intensive Care Unit capacity to support regions not yet affected but likely to be impacted by the current pandemic
  - b. Addressing increases in solid waste (e.g. more disposal of PPEs) as a result of the COVID-19 public health emergency
  - c. Remarketing convention facilities and tourism industry to publicize the resumption of activities and steps to ensure safe experience.
  - d. Continuation of equipment previously scheduled to be decommissioned in order to respond to the public health emergency (costs associated with continuing to operate the equipment)
  - e. Continuation of a lease on office space or equipment that would not have been renewed in order to respond to the public health emergency (costs associated with the ongoing lease payments through December 30, 2020)
  
7. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

### *FEMA and Federal Reimbursements*

Treasury Guidance clarifies that government entities may use the CRF to pay for FEMA's cost share requirements for the Stafford Act assistance. It can only be used for COVID-19-related costs that satisfy the Fund's eligibility criteria and the Stafford Act. Regardless of the use of Fund payments for such purposes, FEMA funding is still dependent on FEMA's determination of eligibility under the Stafford Act. As with all expenses that have been or will involve other federal programs, local governments should be diligent in understanding limitations with other federal funding to evaluate if there will be any potential issues.

## Ineligible Costs

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

1. Filling shortfalls in government revenue. Revenue replacement is NOT a permissible use of Fund payments
2. Expenses for the state share of Medicaid
3. Damages covered by insurance
4. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency
5. Expenses that have been or will be reimbursed **under any other federal program\*** (e.g. reimbursement by the federal government pursuant to the CARES Act of contributions by states to state unemployment funds)
6. Reimbursement to donors for donated items or services
7. Workforce bonuses (other than hazard pay or overtime for employees who were substantially dedicated to responding/mitigating the COVID-19 public health emergency)
8. Severance pay
9. Legal settlements
10. Assisting impacted property owners with payment of property taxes
11. Replacement of government revenue due to unpaid utility fees
12. Expenditures to prepare for a future COVID-19 outbreak past December 30, 2020
13. Stipends to employees for eligible expenses (e.g. to improve telework capabilities)
14. Payroll or benefit expenses of private employees contracted to work for the local government entity, unless they are substantially dedicated to mitigating or responding to the COVID-19 public health emergency
15. Prepayments on contracts using the Fund to the extent that doing so would not be consistent with ordinary course policies and procedures (e.g. pre-paying for one or two-year facility lease to house staff hired in response to COVID-19 public health emergency)
16. Capital improvement projects that broadly provide potential economic development in a community (if not directly necessary due to the COVID-19 public health emergency)
17. Per Treasury Guidance: “In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death...Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.” Please see the footnote on Page 3 of [Treasury Guidance](#) for full information on this provision.

*\* Per Treasury guidance, CRF recipients are NOT required to use other federal funds or seek reimbursement under other federal programs first before using fund payments (The CRF is NOT required to be used as the source of funding of last resort). However, recipients may NOT use the CRF to cover expenditures for which they will receive reimbursement. Local governments need to consider the applicable restrictions and limitations of other sources of funding, such as combining a transaction supported with CRF payments with other CARES Act or COVID-19 relief federal funding. They also need to consider time constraints and other limitations that exist within various forms of federal COVID-19 relief funding.*



## Cost Test

Local governments are charged with determining whether or not an expense is eligible based on the [U.S. Treasury's Guidance](#). Specific documents can be reference:

- [Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments](#) (06/30/2020)
- [Coronavirus Relief Fund Frequently Asked Questions](#) (06/24/2020)

To assist with this determination, an eligibility cost test has been developed. This test gives each local government full authority to make the appropriate call for each circumstance.

**TEST** – If all responses for the particular incurred cost are “true” for all six statements below, then a jurisdiction can feel confident the cost is eligible, if it is also within other limitations set forth in the Treasury Guidance and Frequently Asked Questions documents:

1. The expense occurs between March 1 and December 30, 2020
2. The expense is connected to the COVID-19 emergency
3. The expense is “necessary”
4. The expense is not filling a shortfall in government revenues
5. The expense is not funded through another budget line item, allotment or allocation, as of March 27, 2020 **OR** is funded, but the cost is for a substantially different use from any expected use of funds (e.g. base salary funded but duties become substantially different to respond to COVID-19 emergency)
6. The expense wouldn't exist without COVID-19 **OR** would be for a “substantially different” purpose

It is the responsibility of each locality to define “**necessary**” or “**substantially different,**” giving the jurisdiction the authority and flexibility to make their own determination using the Treasury Guidance and Frequently Asked Questions documents.

**Additional consideration** – The intent of these funds is to help localities cover the *immediate impacts* of the COVID-19 emergency, both direct costs to the local government and costs to their communities. There are many possible eligible costs.

Many costs are clearly eligible, and others fall into a more “grey area”. The “grey area” costs could be justified based on the test; however, it must be determined if they directly address the *immediate impacts* as well. If the answer is questionable, it may be safer and more appropriate to utilize the funds in one of the many other eligible cost categories that more clearly meet the intent of the funds. Each locality has the authority to make decisions based on their circumstances and justification.

It is important to keep in mind however, that any funds expended by a local government entity or its grantee(s) that fail to comply in any manner with official federal guidance shall be booked as a debt owed to the State of Nevada and subsequently collected and returned to the Federal government.

### Fund Expenditure Plan

Prior to receiving any Fund allocation from the State of Nevada, local governments will be required to submit a brief high-level plan to the State of Nevada, Governor's Finance Office (GFO) summarizing the process and criteria they will use for expending funds within its organization and/or allocating to any grantee(s). Plans should be no more than 4 pages in length and include:

- brief problem statement(s) explaining why funds are needed
- estimate or exact amount of funds required to meet this need
- if funds are expected to be used to respond directly to the COVID-19 public health emergency or for secondary effects, and a brief overview of how they will be used
- if funds are expected to be used for eligible expenditures in any of the following categories below (as described in the previous *Eligible Cost* section of this document), an estimate or exact amount of funds required, and a brief overview for each category on how the Fund will be used:
  - medical expenses
  - public health expenses
  - payroll expenses
  - to facilitate compliance with public health measures
  - economic support
  - respond to secondary effects
  - any other expense reasonably necessary to the function of government as outlined in federal guidance
- names of new or existing programs within the locality that will administer the use of funds (e.g. administrative services dept., public safety dept., county senior center)
- if funds are expected to be allocated to other entities, how funds will be allocated and the nature of their work (e.g. food bank, home care providers)
- how the local government, political subdivision or its grantee(s) receiving funds will ensure the use of funds meet federal guidance

**Plans must be submitted to the Governor's Finance Office prior to Fund payment.** Plans can be emailed to [covid19@finance.nv.gov](mailto:covid19@finance.nv.gov).

### Dispersal of Funds

Nevada counties and incorporated cities outside of Clark County that have a population of less than 500,000 (those listed on the document "[Breakdown of CARES Act funding distributed to local governments to assist with COVID-19 expenses](#)") can request a CRF payment from the State, to be disbursed in two allocations. The first allocation will release 50 percent of funds immediately and the second allocation will release the remaining 50 percent of funds on a reimbursement basis, or upon providing a detailed spending proposal. Funds from the first allocation must be spent or planned to be spent in a detailed spending proposal by September 1, 2020 in order to request a second CRF payment. For the initial allocation, the Chief Executive

Officer of eligible local governments will receive a submittal “packet” from the State of Nevada, Governor’s Finance Office (GFO) which includes:

- CRF Cover Letter
- *Nevada CRF Allocation Amounts for Local Governments*
- *Coronavirus Relief Fund Eligibility Certification* letter
- *Coronavirus Relief Fund Terms and Conditions for Local Governments*
- CRF Activity Reporting Worksheet

The submittal packet will also be available to download from the GFO website at <http://budget.nv.gov/CRF>. City governments, school districts and other government entities not named in the *Nevada CRF Allocation Amounts for Local Governments* must request funds directly from the county or city in which they reside.

The Chief Executive officer of a local government entity must sign and notarize the *Coronavirus Relief Fund Eligibility Certification* letter to receive funds. The Chief Executive officer must also review a copy of the *Coronavirus Relief Fund Terms and Conditions for Local Governments* document and provide a signed acknowledgement of understanding (in Appendix A of the document). The local government must also submit a CRF Expenditure Plan as described in the previous “Fund Expenditure Plan” section of this document.

A digital copy of these completed forms and the expenditure plan can be emailed to [covid19@finance.nv.gov](mailto:covid19@finance.nv.gov) to expedite the transfer process. Additionally, a hard copy of the signed forms must be mailed to the address below:

Governor’s Finance Office  
ATTN: Coronavirus Relief Fund  
209 East Musser Street, Room 200  
Carson City, NV 89701-4298

In order to receive funds, a local government must be registered as a vendor for the State of Nevada and a vendor number must be provided on the Certification letter. If a county or city has multiple vendor numbers, please provide the appropriate one that will be used for the fund transfer. If the county or city is not yet registered as a vendor with the State of Nevada, please contact the Nevada State Controller’s Office to register, or go online at: <http://controller.nv.gov/Buttons/ElectronicVendorReg/>

Once all required items are received by GFO, the allocation will be transferred to the local government. Below is a checklist of items local governments must submit to receive funds.

- ✓ *Coronavirus Relief Fund Eligibility Certification* letter  
***signed and notarized hard copy mailed to GFO; must include correct vendor number***
- ✓ *Receipt, Acknowledgement, and Agreement to Terms and Conditions*  
***signed form located in Appendix A of the Terms and Conditions; can email it to GFO***
- ✓ *CRF Expenditure Plan*  
***document should be no more than 4 pages; can email it to GFO***

**\*Note:** a hard copy, notarized *Coronavirus Relief Fund Eligibility Certification* letter must be received prior to fund payment.

### *Amendments and Changes*

The State may amend this agreement at any time provided such amendments make specific reference to this agreement, and are executed in writing, and signed by a duly authorized representative of the local government and the State. Such amendments shall not invalidate the agreement, nor relieve or release the local government or the State from any obligations under the agreement.

The State and local government agree that any act, action or representation by either party, their agents or employees that purports to waive or alter the terms of this agreement is void unless a written amendment to this agreement is first executed and documented. The local government agrees that nothing in this agreement will be interpreted to create an obligation or liability of the State.

Notwithstanding this requirement, it is understood and agreed by parties, that changes in local, state and federal rules, regulations or laws applicable hereto, may occur during the term of this agreement and that any such changes shall be automatically incorporated into this agreement without written amendment, and shall become a part hereof as of the effective date of the rule, regulation or law.

### *Intersection with Other Funding Sources*

Eligible uses of the federal Coronavirus Relief Fund may overlap with allowable uses of other federal grants and reimbursements. Federal dollars cannot under any circumstances be claimed twice for the same spending. Local governments are responsible for ensuring they are aware of Treasury guidance and that this will not occur with any allocated funds.

### *Compliance*

Localities will comply with all applicable federal laws, regulations, executive orders, policies, procedures, and directives.

#### Conflicts of Interest

Fund recipients must establish safeguards to prohibit its employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest or personal gain, whether for themselves or others, particularly those with ties. Fund recipients must operate with complete independence and objectivity without actual, potential, or apparent conflict of interest with respect to its performance under this agreement. The local government certifies as to its own organization, that to the best of knowledge and belief, no member, employee, or person, whose salary is payable in whole or in part by a member of the local government, has direct or indirect financial interest in the allocation of the Fund, or in the services to which this agreement relates, or in any of the profits, real or potential, thereof. If at any time during the allocation process and upon any suggestion, inquiry, or indication that a

conflict of interest may exist, the local government will disclose that conflict immediately to the State of Nevada.

#### Fraud, Waste or Misuse of Funds

The State does not tolerate any type of fraud, waste, or misuse of funds received from the State. Any violations of the law, State policies, or standards of ethical conduct will be investigated, and appropriate actions will be taken. Localities agree that misuse of funds may result in a range of penalties, including suspension of current and future funds, recoupment of the funds allocated, and civil and/or criminal penalties. In the event a local government becomes aware of any allegation or a finding of fraud, waste, or misuse of the Fund, the local government is required to immediately notify the State of Nevada Governor's Finance Office of said allegation or finding and continue to inform the State of the status of any such on-going investigations. Any credible evidence must be provided to the State.

#### False Statements or Claims

No local government receiving these funds shall submit a false claim. If any of the statements, representations, certifications, affirmations, warranties or guarantees are false, or if the local government recipient signs or executes the agreement with a false statement or it is subsequently determined that the locality has violated any of the statements, representations, warranties, guarantees, certificates or affirmations included in this agreement, then the State may consider this act a possible default under this agreement and may terminate or void it for cause. False statements or claims made in connection with these funds may result in, but are not limited to, suspension of current and future funds, recoupment of the funds allocated, and civil and/or criminal penalties

### Reporting

As part of the application packet given to the local government, a "CRF Activity Reporting Worksheet" has been provided. This document can also be found on the GFO website at <http://budget.nv.gov/CRF>. The Excel worksheet contains three tabs – "SFY2020", "SFY2021" and "Final". SFY refers to the State fiscal year (July 1 – June 30).

#### SFY2020 Tab

Local governments may need to recover COVID-19-related expenditures that were incurred March 1, 2020 through June 30, 2020. All expenditures during this timeframe that are reimbursed using the CRF allocation must be reported on the "CRF Activity Reporting Worksheet", SFY2020 Tab. Expenditures must be reported by Eligible Expenditure categories listed on the spreadsheet. For example:

*A local government has the following total expenditures from March 1, 2020 through June 30, 2020 it will be reimbursing with the CRF:*

- \$5000 per month for COVID-19 testing in April, May and June (for a total of \$15,000)
- \$3000 for PPE purchased in April

- \$2,000 for paid sick/family sick leave for public employees in March and \$1,000 in May

The expenditures will be reported on the SFY2020 tab as shown below:

Eligible Expenditures	Actuals from FY2020 March - June	Brief Description of Use of Funds
<b>1. Medical Expenses</b>		
a. Public hospitals, clinics and similar facilities	\$ -	
b. Temporary public medical facilities & increased capacity	\$ -	
c. COVID-19 testing, including serological testing	\$ 15,000.00	COVID-19 Testing at "East" Clinic, "West" Clinic for April, May and June
d. Emergency medical response	\$ -	
e. Telemedicine capabilities	\$ -	
f. Other:	\$ -	
<b>Sub-Total</b>	<b>\$ 15,000.00</b>	
<b>2. Public Health Expenses</b>		
a. Communication and enforcement of Public health measures	\$ -	
b. Medical and protective supplies, including sanitation and PPE	\$ 3,000.00	PPE (masks/face shields) for COVID-19 mitigation for employees at City Hall and "West" clinic purchased in April
c. Disinfecting public areas and other facilities	\$ -	
d. Technical assistance on COVID-19 threat mitigation	\$ -	
e. Public safety measures undertaken	\$ -	
f. Quarantining individuals	\$ -	
g. Contact tracing	\$ -	
h. Other:	\$ -	
<b>Sub-Total</b>	<b>\$ 3,000.00</b>	
<b>3. Payroll Expenses for Public Employees Dedicated to COVID-19</b>		
a. Public safety	\$ -	
b. Public health	\$ -	
c. Health care	\$ -	
d. Human services	\$ -	
e. Paid sick and paid family and medical leave to public employees	\$ 3,000.00	COVID-19 related sick and family leave for City employees - \$2,000 in March; \$1,000 in May
f. Other:	\$ -	
<b>Sub-Total</b>	<b>\$ 3,000.00</b>	

A completed SFY 2020 worksheet must be submitted to the State of Nevada by August 1, 2020.

#### SFY2021 Tab

Starting in July for SFY 2021, a monthly reporting process will be required by local governments that received CRF allocations to monitor spending as it occurs to maintain transparency, ensure documentation is adequate, and to minimize compliance risk.

Reports should document all costs clearly with respect to the date and nature of the expense incurred so that together resources can be best managed in the interest of the residents of Nevada. The monthly Activity Report must be submitted using the "CRF Activity Reporting Worksheet", SFY2021 Tab. The report must:

- Be submitted as an Excel spreadsheet, not a PDF, within ten (10) calendar days of the end of each month during the reporting period.
- Include a detailed breakdown of the individual eligible expenditures reported by each sub-category of the seven (7) primary budget categories (as shown above in the SFY2020 example). Each primary budget category includes sub-categories and provides an option to add "other" sub-categories
- Include the total amount of all eligible expenditures for each applicable sub-category and the grand total spent (template automatically calculates this)
- Include a brief description of the use of the funds for each applicable sub-category. Keep descriptions as concise as possible but include adequate context to demonstrate how these funds addressed the COVID-19 emergency. If applicable, please consider:
  - Providing a brief description of the specific activities performed
  - Identifying specific populations served

- Identifying specific programs created or utilized
- Including any known or intended outcomes, results, or community impacts
- If there were no expenditures for the month and the funds have not been completely spent, a report must be submitted noting zero expenditures
- Include information in a “Expenditures Previously Reported” column that is a total of SFY20 amounts and SFY21 year-to-date amounts (excluding current reporting month)

Final Tab

A final report is required as a summary of all periods included for the CRF allocation. This report should contain actual expenditures for SFY20 and each individual month from July 2020 through December 2020. It should also calculate the amount of any unspent funds. A template worksheet is included in the “CRF Activity Reporting Worksheet”, Final Tab. This report is due to GFO by email on or before March 1, 2021.

*Audit Provisions and Documentation*

Federal Coronavirus Relief Fund expenditures and records are subject to audit by the Office of Inspector General (OIG) within the U.S. Department of the Treasury. Treasury OIG also has authority to recover funds if it is determined a CRF recipient failed to comply with requirements. Documenting that costs are eligible uses is essential to managing compliance risk and to minimizing the possibility that costs are deemed ineligible, thereby requiring the local government and the State to return funds to the federal government. All funds that are distributed by local governments must have a documented statement or certification that the funds are needed due to the COVID-19 public health emergency (e.g. a rental program should have a check box with a statement that says “I certify that I need access to the funds in this program due to the COVID-19 public health emergency.”)

Funds received from the CRF are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements. 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. Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F regarding audit requirements. Subrecipients are subject to a single audit or program specific audit pursuant to 2 C.F.R. § 200.501(a) when subrecipients spend \$750,000 or more in federal awards during their fiscal year.

If any audit, monitoring, investigations, or other compliance review reveals any discrepancies, inadequacies, or deficiencies which are necessary to correct in order to maintain compliance with this agreement, applicable laws, regulations, or the local government’s obligations hereunder, the local government agrees to propose and submit to the State a correction action plan to correct such discrepancies or inadequacies within thirty (30) calendar days after the receipt of findings.

The corrective action plan is subject to approval by the State. Fund recipients understand and agree that the local government entity must make every effort to address and resolve all outstanding issues, findings, or actions identified by the corrective action plan. Failure to promptly and adequately address these findings may result in funds being returned, other related requirements being imposed, or other sanctions and penalties. Local governments agree to complete any corrective action approved by the State within the time period specified by the State and to the satisfaction of the State, at the sole cost of the local government. The local government entity shall provide to the State periodic status reports regarding the resolution of any audit, corrective action plan, or other compliance activity for which it is responsible.

Recipients of CRF payments shall maintain and make available to the Treasury OIG upon request all documents and financial records sufficient to establish compliance with subsection 601(d) of the Social Security Act, as amended, (42 U.S.C. 801(d)). An appropriate audit trail must be maintained to provide accountability for all expenditures of funds, reporting measures and funds received under this agreement.

Records to support compliance may include, but are not limited to: general ledger and subsidiary ledgers used to account for the receipt and disbursement of CRF payments; budget records for 2019 and 2020; payroll, time, and human resource records to support costs incurred for COVID-19-related payroll expenses; receipts of purchases made to address the COVID-19 emergency; contracts and subcontracts entered into using CRF payments and all related documents; grant agreements and grant subaward agreements entered into using CRF payments and all related documents; all documentation of reports, audits, and other monitoring of contractors, including subcontractors, and grant recipient and subrecipients; all documentation supporting the performance outcomes of contracts, subcontracts, grant awards, and grant recipient subawards; all internal and external email/electronic communications related to use of CRF payments; and all investigative files and inquiry reports involving CRF payments.

Records shall be maintained for a period of five (5) years after final payment is made using CRF monies. These record retention requirements are applicable to all recipients and their grantees and subgrant recipients, contractors, and other levels of government that received transfers of CRF payments. The State may direct local government entities to retain documents for a longer period of time or to transfer certain records to the State or federal custody when it is determined that the records possess long term retention value.

### Close Out

The State of Nevada will close-out the allocation when it determines that all applicable administrative actions and all required work has been completed. Local governments must submit all financial, Fund use, and other reports as required by the *Coronavirus Relief Fund Eligibility Certification* letter and this Terms and Conditions document. Local governments must promptly refund any balances of unspent cash not used for eligible expenses during the period of March 1, 2020 through December 30, 2020. Unspent funds are to be returned to the State of Nevada no later than March 1, 2021.



*APPENDIX A*

**Receipt, Acknowledgement, and Agreement to Coronavirus Relief Fund (CFDA # 21.019)  
Terms and Conditions**

I, \_\_\_\_\_ as \_\_\_\_\_  
*(Chief Executive Officer)* *(Job Title)*

for the \_\_\_\_\_, acknowledge and certify that I:  
*(Name of County, City or Municipality)*

1. Have read and agree to the Coronavirus Relief Fund Terms and Conditions for Local Governments,
2. understands its terms and conditions,
3. had the opportunity to consult with independent legal counsel, and
4. sign this agreement voluntarily.

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_