

Coronavirus Relief Fund (CRF) K-12 Education

Guidance & Frequently Asked Questions

**Funding Period:
March 1, 2020 – December 31,
2021 US Department of the
Treasury CFDA # 21.019**

Revised 2/11/2021

NOTE: As U.S. Department of the Treasury issues future guidance and clarifications, the specific guidelines listed in this document are subject to change. Changes may be addendums to this document in the Frequently Asked Questions section.

The purpose of this document is to provide guidance to Ohio's schools and districts receiving Coronavirus Relief Funding (CRF) through the Ohio Department of Education (ODE). The following entities will receive CRF funds:

- City, Local, and Exempted Village School Districts;
- Joint Vocational School Districts;
- Community Schools;
- Independent STEM Schools;
- County Boards of Developmental Disabilities; and
- Non-Public Schools

Funding Information

Funds were awarded to the State of Ohio as Federal Financial Assistance from the U.S. Department of Treasury. Funds were awarded under the Social Security Act, as amended by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") as the Coronavirus Relief Fund (CRF).

Federal Assistance Information

The US Department of Treasury did not provide a notice of award to the State of Ohio, thus a Federal Award Identification Number (FAIN) is unknown and the federal award date is presumed to be the date of enactment of the CARES Act, March 27, 2020.

Funds are considered federal financial assistance and have been assigned a Catalog of Federal Domestic Assistance (CFDA) or Assistance Listing Number of 21.019. Fund payments 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.

Performance Period

The U.S. Department of Treasury has determined that CRF funds may only cover costs **incurred** between **March 1, 2020 and December 31, 2021**. ODE will use expenditure data from Project Cash Requests (PCRs) for the interim financial reporting required by the grant. Schools and districts will be required to submit Final Expenditure Report (FERs). Should the school or district have unexpended funds, these must be returned to ODE.

Eligibility

When determining eligibility to use CRF funds it received, schools and districts should evaluate all proposed expenditures based on guidance contained within the U.S. Department of Treasury Guidance and Coronavirus Relief Fund Frequently Asked Questions, which can be found at <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>. This guidance document calls out some specific eligibility areas and related Frequently Asked Questions provide information about specific uses, but the examples are not all-inclusive.

If a school or district has any questions regarding the eligibility of a cost, please contact ODE via e-mail at CRF@education.ohio.gov or the Ohio Grants Partnership via e-mail at grants@obm.ohio.gov.

General Eligibility Information

The CARES Act requires that the payments from the CRF only be used to cover expenses that -

- (1) are **necessary** expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- (2) were **not accounted for** in the budget most recently approved as of **March 27, 2020** (the date of enactment of the CARES Act) for the government; and
- (3) were **incurred during the period that begins on March 1, 2020 and ends on December 31, 2021**.

While the CRF distributions are not required to be the funding of last resort, the expenditures cannot be used in multiple programs or be reimbursed by other funds. This means that schools and districts cannot claim reimbursement for the same expenditure from multiple sources. Expenditures necessary to take direct action in response to the COVID-19 public health emergency are allowable. The basic eligibility requirement is “a cost is either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget (recently approved as of March 27, 2020) OR (b) the cost is for a **substantially different use** from any expected use of funds in such a line item, allotment, or allocation.” Expenditures are required to be related to current COVID-19 needs and not in preparation of or stock piling for future emergencies.

Permissible Use of Funds

The following list of specific permissible uses is not intended to be comprehensive. Because CRF funds are not specifically directed to schools, this list also contains allowable uses that schools and districts are unlikely to incur:

Medical Expenses

- COVID-19-related expenses of public hospitals, clinics, and similar facilities.
- Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
- Costs of providing COVID-19 testing, including serological testing.
- Emergency medical response expenses related to COVID-19, including emergency medical transportation.
- Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
- Personal Protective Equipment to address the current COVID-19 pandemic.

Public Health and Related Measures

- Expenses for communication and enforcement by governments for public health orders related to COVID-19.
- Personal Protective Equipment to address the current COVID-19 pandemic.
- Expenses for acquisition, distribution, and disposal of medical and protective supplies, including sanitizing products and personal protective equipment in connection with the COVID-19 public health emergency.
- Expenses for disinfection of public areas and other facilities, in response to the COVID-19 public health emergency.
- Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
- Expenses for public safety measures undertaken in response to COVID-19.
- Expenses for quarantining individuals.
- Expenses associated with COVID-19 contact tracing.
- Food delivery to vulnerable populations to enable compliance with COVID-19 public health precautions.

- Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
- Expenses of providing paid sick and paid family and medical leave to public employees who are infected/directly impacted to enable compliance with COVID-19 public health precautions. Full costs are eligible despite leave being in previously approved budget.
- Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.

Equipment

- Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
- Equipment and lease costs if previously unbudgeted and consistent with other criteria.
- Equipment related to social distancing – including simulation equipment for career-technical programs and furnishings for temporary classroom configurations.
- Equipment related to supporting remote learning plans, including Chromebooks or iPads, for those students for whom equipment has not been made available.

Personnel

Schools and districts that choose to charge personnel costs to the CRF must first consider the general eligibility criteria for the use of funds, above. Un-budgeted expenses between March 1 and December 31, 2021 that are directly related to the school or districts COVID-19 pandemic response. A few examples of payroll may include the following:

- As a result of social distancing measures, the school or district cannot transport as many students on a bus. The additional cost of a bus driver to drive additional routes during the day may result in a higher than budgeted expense for these employees. This marginal cost may be charged to the CRF as an unbudgeted expense that is directly related to the response to the COVID-19 pandemic.
- A school elects for in-person classes, but hires additional subs or aides to monitor students when a teacher splits time between two socially distanced classrooms. The additional unbudgeted cost of an aide may reflected an unbudgeted expense incurred as a result of the school or district's response to the COVID-19 pandemic.

This payroll topic has been a frequent discussion point among states and local leaders in discussions with officials from the U.S. Department of Treasury. Future federal guidance may clarify these requirements. In the meantime, OBM recommends that schools and districts maintain detailed documentation about decisions to use the CRF for employee payroll. Please see the FAQ below for more discussion on payroll.

Economic Support

- Small business assistance related to required and/or voluntary closures and the expenditures related to providing these programs.
- Increased workers compensation related to expanded coverage due to COVID-19.
- Unemployment insurance costs incurred by the Recipient as an employer.
- Financial assistance to individuals and families directly impacted by a loss of income due to COVID-19
 - Could include payment of overdue rent and mortgage to avoid eviction or foreclosure, unforeseen costs for funerals, or other emergency individual needs.

Prohibited Use of Funds

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the CRF.

- Revenue replacement/forgone revenue including unpaid property taxes and utility fees.
- Expenses covered by business interruption insurance or reimbursed through other federal aid received in response to COVID-19.
- Expenses that have been or will be reimbursed under any other federal program. This means that schools and districts cannot claim reimbursement for the same expenditure from multiple sources.
- Any costs, including indirect, administrative, and payroll, that were already in the most recently approved budget as of March 27, 2020.
- Personnel expenses for employees whose work duties are not substantially dedicated to mitigating or responding to COVID-19.
- Personnel costs of private employees paid directly (grants or loans to private employers may be allowed to cover this).
- Workforce bonuses, this prohibition does not include hazard pay or overtime.
- Severance Pay.
- Medicaid Match.
- Prepayments on contracts related to COVID-19, unless this is part of the normal policies and procedures.
- Damages covered by insurances.
- Reimbursement to donors for donated items or services.
- Legal settlements.

Application Process

The Department will use its e-grants management system, the Comprehensive Continuous Improvement Plan (CCIP) to allocate and manage the CRF grant funds. **For those schools who have not worked in the CCIP, follow please review the ODE Grants Management – Quick Reference Guide**

<http://education.ohio.gov/getattachment/Topics/Finance-and-Funding/Grants-Administration/Sections/Grants-Manual/Grants-Management-Quick-Reference-Guide.pdf.aspx?lang=en-US>

This document will help guide you to get set-up and manage the CRF grant from beginning to end. In addition, it will document the various relationships not only with CCIP but also the state's accounting system (OAKS).

Schools and districts will apply by uploading the required program specific assurances and completing a budget within the CCIP. Once the signed assurances are uploaded and the budget is complete, the application will move through the approval processes at the school or district level and then to the department's Office of Field Relations for final approval. The Office of Field Relations will ensure the uploaded assurances are properly signed and the budget is complete. Once approved the school or district may begin to request grant funds. At the end of the program period, December 31, 2021, the school or district is required to submit the Final Expenditure Report (FER) to closeout the grant.

As part of receiving a federal grant award, a school or district must have a valid DUNS number and SAM registration. The System for Award Management (SAM) is an official website of the US Government found at <https://www.sam.gov/>. Please see the Grant Management document for more information on how to obtain your DUNS number.

All funds will be provided on a reimbursement basis through Project Cash Requests (PCRs)

Reporting

The department will require Final Expenditure Reporting (FER). If funds are still owed to the school or district, the CCIP will automatically create a PCR to reimburse the school or district. In the future the U.S. Treasury may require additional reporting in which ODE will notify the school or district of any additional requirements. If this should happen, the department expects the school or district will report in an accurate and timely manner.

Responsibilities, Records, & Future Audits

The U.S. Treasury has limited compliance to 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. Effective internal controls must be established and maintained (2 C.F.R. § 200.303). **Every CRF dollar should be accounted for with supporting documentation.** Schools and districts should maintain documentation evidencing that the funds were expended in accordance with federal, state, and local regulations for five years.

The CRF is subject to future audits to ensure appropriate use with ultimate recoupment by Treasury. Records must be made available to ODE, the Ohio Auditor of State, Independent Public Auditors that perform audits on behalf of Ohio Auditor of State, the federal government, and/or other oversight entities for audit or review. Records shall be maintained for a period of five (5) years after final payment is made using Coronavirus Relief Fund monies, per the Department of the Treasury, Office of Inspector General memo OIG-CA-20-021. While these funds are considered payments, they are also subject to and count towards the threshold of the Single Audit Act (31 U.S.C. § 7501-7507).

Frequently Asked Questions

NOTE: That this information is provided as a reference and is current as of July 14, 2020. In the event of a conflict between this document and state law, federal law, or U.S. Treasury guidance, the state and federal laws and guidance supersede this document. This document will be updated if the U.S. Treasury provides future clarifications.

What is the difference between the Authorized Representative and the Grant Contact?

The Authorized Representative is the main executive within the school or district that can authorize acceptance of the funds on behalf of the school or district. The grant contact will be the main person ODE will reach out to for monitoring, obtaining resolutions, or other questions regarding the funds. Schools and districts can enter the same person for both contacts if applicable.

What is the fund for the CARES Act CRF Fund?

For public schools and districts, the Auditor of State's Office has set up fund 510 to receive CRF funds. Note – this is different than fund 507 (Elementary and Secondary School Emergency Relief Fund) and fund 508 (Governor's Emergency Education Relief Fund). For nonpublic schools and county board of developmental disabilities, ensure that every CRF receipt and expenditure is accounted for with supporting documentation.

What is the difference between the Elementary and Secondary Emergency Relief Fund (ESSER) and the Coronavirus Relief Fund (CRF)? How should I use each?

ESSER and CRF are both grants from the larger CARES Act. While schools and districts received allocations for ESSER in late May, the State of Ohio was the recipient of CRF funds, which are now being allocated to local schools and districts. The period of availability for the CRF is narrower than the ESSER Funds. CRF is available for expenditures between March 1, 2020 and December 31, 2021, while the period of availability for ESSER extends through September, 2022. Additionally, CRF funds must be used for expenditures related to the COVID-19 pandemic, while ESSER funds have a broader and more expanded list of allowable uses. As a result, schools and districts may choose use CRF funds first, and for expenses mostly closely tied with the pandemic response.

Are these funds allowed to be used as cost-share or match to other federal grant programs?

On June 24, 2020, the U.S. Department of Treasury updated their Frequently Asked Questions to allow for the use of funds to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19 related costs that otherwise satisfy the CRF eligibility requirements and the Stafford Act. The ability to use funds to match any other grant programs is prohibited.

What does the prohibition, or limitation against using CRF Funds for costs already in an approved budget prior to March 27 mean? Does this mean I am unable to be reimbursed if I already incurred the costs with budgeted funds?

A cost is allowable if either: 1. The cost cannot lawfully be funded using a line item, allotment, or allocation within that budget, or 2. The cost is for a substantially different use from an expected use of funds in such a line item, allotment, or allocation. A school or district may have incurred costs prior to the receipt of CRF funds in response to COVID-19 utilizing budgeted resources that were previously budgeted for another purpose. Thus, necessitating a reimbursement – and that is allowable.

This may be best explained by considering the following hypothetical example: If the school or district's most recently approved budget prior to March 27, 2020 had a provision to allocate \$10,000 for personal protective equipment (PPE) to address COVID-19, the school or district must use their funds to purchase \$10,000 of PPE and any amounts spent over \$10,000 for PPE can be covered by CRF monies.

What is "the most recently approved" budget and how do adjustment, amendment or supplemental appropriations effect the use of CRF funds?

The "most recently approved" budget refers to the enacted budget for the relevant fiscal period for your school or district, which includes subsequent supplemental appropriations or other budgetary adjustments, or amendments made in response to COVID-19 that were approved prior to March 27, 2020. Temporary appropriation measures allowable by Ohio law that were passed prior to March 27, 2020 are considered an approved budget.

Generally, what expenses related to cleaning buildings and facilities are allowable uses of the CRF funds?

Expenses for disinfection and/or cleaning of school buildings, busses, and other educational facilities in response to the COVID-19 public health emergency is an allowable expense

Can payroll expenses, which are already budgeted, be funded by CRF funds? (updated June 29, 2020)

CRF money can be used for payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to COVID-19 public health emergency. Further, personnel that were diverted to a substantially different use due entirely to the COVID-19 public health emergency and are substantially dedicated to mitigating or responding to COVID-19 are allowable expenses.

On June 24, 2020, the US Treasury updated their Frequently Asked Questions stating CRF money can be used for payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to COVID-19 public health emergency. OBM recommends the local government Chief Executive Official declare a proclamation in some manner and document the individuals or job positions with the specific duties that meet the substantially dedicated criteria. Please be familiar with the Auditor of State FAQ related to payroll costs and be aware the US Treasury may clarify the payroll expense requirements in the future.

What constitutes "substantially dedicated" for payroll expenses of which employees can be funded with CRF funds?

At the state level, OBM generally defines a benchmark for identifying substantial dedication to be a contribution of 50% or more of time and for local determinations, jurisdictions are welcome to follow this benchmark or not; it is up to a jurisdiction to define its own thresholds of substantial dedication and to maintain clear documentation of the justification for that decision.

Must schools and districts keep time sheets or other accounting of the time that an employee spends on COVID-19 related work to document that the employee is "substantially dedicated"? (updated June 29, 2020)

For public safety, public health, health care, human services, and similar employees whose services are substantially dedicated it is presumed for administrative convenience that personnel costs related to these areas are substantially dedicated unless the chief executive determines that specific circumstances indicate otherwise. On June 24, 2020, the US Treasury updated their Frequently Asked Questions further clarifying as a matter of administrative convenience that the entire payroll cost of an employee in these sectors whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible. OBM recommends the local government Chief Executive Official declare a proclamation in some manner and document the individuals or job positions with the specific duties that meet the substantially dedicated criteria.

For personnel that were diverted to a substantially different use due entirely to the COVID-19 public health emergency to mitigating or responding to COVID-19 there must be some supporting documentation or evidence which corroborates the substantially different use and the time charged. Time sheets may be useful documentation for audit purposes.

Please be familiar with the Auditor of State FAQ related to payroll costs and be aware the US Treasury may clarify the payroll expense requirements in the future.

When can CRF funds be used to cover payroll expenses of employees on leave?

In order to use CRF money to pay for leave, the leave must comply with the leave required in the Families First Coronavirus Response Act (FFCRA). If the school or district cannot ensure that the leave was taken for reasons outlined in FFCRA, then CRF money cannot be used for leave (such as leave taken because an employee cannot work from home). Regardless of what your government calls the leave - bonus leave, emergency leave, etc. - the leave is reimbursable if used for FFCRA leave. OBM suggests structuring leave under the FFCRA leave types and making sure that employees are properly recording time. Budget amendments and changes to your government's budget do not affect the ability to reimburse these expenses.

Can schools and districts charge indirect cost against the CRF?

No. CRF funds can only be used for direct expenses.

Can I dispose of assets purchased with CRF funds?

If assets are disposed of prior to December 31, 2021, then the proceeds are subject to the restrictions on eligible use of payments from the Fund.

What happens if there is interest earned on CRF funds?

Funds are not subject to the Cash Management Improvement Act of 1990. Interest funds earned must be placed back into the program and used in a manner consistent with the U.S. Department of Treasury guidance on eligible costs within the performance period.

Under FEMA, there are equipment use rates to determine cost. Is there something comparable under this funding?

There are no schedules for equipment time.

Are in-kind costs such as donated time allowable to be reimbursed using a standard labor rate?

No, only actual costs incurred.

Can CRF funds be used to reimburse for expenses already incurred (dating back to 3/1/2020) or only for new expenses going forward?

CRF monies can be used to reimburse expenses already incurred dating back to March 1, 2020 assuming the expense meets the other requirements for use of the Coronavirus Relief Fund. Per U.S. Treasury Guidance, costs must have been incurred on or after March 1, 2020. Treasury Guidance defines "incurred" as being "when the responsible unit of government has expended funds to cover the cost." Thus, if a school or district obligated funds for COVID-19 related expenses prior to March 1, 2020 but had not yet expended those funds as of March 1, 2020 those expenses are an allowable use.

Can CRF funds be used to reimburse for refunds, including but not limited to tuition and pay-to-participate fees, that were previously issued to students?

No, refunds are not allowed. That is a form of revenue replacement.

Can CRF funds be used to pay for expenses in preparation for a future COVID-19 outbreak or for pandemic public health measures for a future pandemic or disaster?

CRF funds may be used only for expenditures necessary to address the current COVID-19 public health emergency. CRF funds cannot be used to prepare for or stockpile excess supplies for possible use related to future disasters. However, it may be necessary to create a reserve of eligible items to address areas that are likely to be impacted by the current COVID-19 pandemic.

When is a cost incurred? (Updated per June 30, 2020 US Treasury Guidance)

Initial guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, **Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred).** For instance, in the case of a lease of equipment or other property, irrespective of when payment occurs, the cost of a lease payment shall be considered to have been incurred for the period of the lease that is within the covered period, but not otherwise. Furthermore, in all cases it must be necessary that performance or delivery take place during the covered period. Thus the cost of a good or service received during the covered period will not be considered eligible under section 601(d) if there is no need for receipt until after the covered period has expired.

Goods delivered in the covered period need not be used during the covered period in all cases. For example, the cost of a good that must be delivered in December in order to be available for use in January could be covered using payments from the Fund. Additionally, the cost of goods purchased in bulk and delivered during the covered period may be covered using payments from the Fund if a portion of the goods is ordered for use in the covered period, the bulk purchase is consistent with the recipient's usual procurement policies and practices, and it is impractical to track and record when the items were used. A recipient may use payments from the Fund to purchase a durable good that is to be used during the current period and in subsequent periods if the acquisition in the covered period was necessary due to the public health emergency.

Given that it is not always possible to estimate with precision when a good or service will be needed, the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or performance was sought, e.g., the time of entry into a procurement contract specifying a time for delivery. Similarly, in recognition of the likelihood of supply chain disruptions and increased demand for certain goods and services during the COVID-19 public health emergency, if a recipient enters into a contract requiring the delivery of goods or performance of services by December 31, 2021, the failure of a vendor to complete delivery or services by December 31, 2021, will not affect the ability of the recipient to use payments from the Fund to cover the cost of such goods or services if the delay is due to circumstances beyond the recipient's control.

Can we prepay for services or goods that will be provided or received after December 31, 2021?

No. Prepayment for any goods or services is not allowed.

If the funds are encumbered, would they be considered spent?

Yes, if performance or delivery took place by December 31, 2021. US Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred). ***All unspent funds must be returned to ODE.***

Who is my grant contact for questions or concerns?

ODE and the Ohio Grants Partnership are available to answer any questions or concerns that you may have via e-mail at CRF@education.ohio.gov or grants@obm.ohio.gov.

Helpful Resources:

US Treasury - <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>

Ohio Grants Partnership - <https://grants.ohio.gov/forstateagencies.aspx#state-agencies-resources-manuals-training>

Federal System for Award Management - <https://beta.sam.gov/>

Ohio Auditor of State - https://www.ohioauditor.gov/resources/COVID19_assistance.html

The Association of Government Accountants - <https://www.agacgfm.org/Tools-Resources/COVID19Resources.aspx>