

FREQUENTLY ASKED QUESTIONS

Version Date: July 20, 2020

Note: The July 20, 2020 version of this document replaces the July 3, 2020 version. Updates or clarifications to answers from the July 3 version are noted. The July 3, 2020 version updated the title of the program to the CARES Act Coronavirus Relief Fund - Municipal Program and replaced references to the "FY20 Round" with "Round 1" and the "FY21 Round" with "Round 2"

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

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

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

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

Note: This answer was updated in the July 20, 2020 version of this document.

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

A: No. In order to be eligible for CARES Act Coronavirus Relief Fund - Municipal Program dollars, uses must be necessary **expenditures** incurred due to the public health emergency with respect to ... COVID-19, not budgeted as of March 27, 2020, and incurred between March 1, 2020 and December 30, 2020.

Q: How do I know whether to apply for CARES Act Coronavirus Relief Fund - Municipal Program grants or other COVID-related federal grants?

A: The CARES Act, as well as other federal legislation related to COVID-19, contained numerous grant opportunities for states, some of which will flow through to municipalities. In general, we encourage you to apply for CARES Act Coronavirus Relief Fund - Municipal Program dollars to ease cashflow concerns while meeting immediate needs. In some cases, however, expenses eligible for the Coronavirus Relief Fund can be supported from other federal sources. You should pursue those opportunities to free up CARES Act Coronavirus Relief Fund - Municipal Program resources for costs that are ineligible from any other grant.

Note: This answer was updated in the July 20, 2020 version of this document.

Q: How do I access CARES Act Elementary and Secondary Education Emergency Relief (ESSER) Funds for my community?

A: Municipalities should pursue federal funding through the CARES Act Elementary and Secondary Education Emergency Relief (ESSER) Funds for education-related COVID-19 costs. The Department of

Elementary and Secondary Education (DESE) is coordinating that grant program. Please visit <http://www.doe.mass.edu/grants/2021/113/> for more information.

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

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

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

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

Note: This answer was updated in the July 20, 2020 version of this document.

Q: How can I determine whether my costs are eligible for FEMA reimbursement?

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

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

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

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

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

Eligible Uses

Q: Is reconfiguring streets or outdoor spaces in response to COVID-19 an eligible use of the CARES Act Coronavirus Relief Fund - Municipal Program? What funding options are available?

A: No. Other funding sources are available to support these costs while preserving CARES Act Coronavirus Relief Fund - Municipal Program dollars for other purposes. The Massachusetts Department of Transportation recently announced a new Shared Streets and Spaces Grant Program. The quick-launch/quick-build program will provide grants from \$5,000 to \$300,000 for cities and towns to quickly implement or expand improvements to sidewalks, curbs, streets, on-street parking spaces and off-street parking lots in support of public health, safe mobility, and renewed commerce in their communities. For more information, please visit: <https://www.mass.gov/shared-streets-and-spaces-grant-program>.

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

A: Costs must be unbudgeted as of March 27, 2020. Therefore, costs of salaried employees whose work has expanded is not an eligible cost of CARES Act Coronavirus Relief Fund - Municipal Program Round 1 grant funds, unless the employee's work assignment has fundamentally changed. Additional labor costs including extended hours of hourly workers are an allowable use, provided the additional time need was caused by COVID-19.

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

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

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

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

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

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

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

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

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

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

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

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

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

Please note that A&F and the Department of Elementary and Secondary Education (DESE) recently announced the availability of \$202 million in grant funding from the CARES Act Coronavirus Relief Fund - Municipal Program specifically for school districts to support reopening costs, as well as \$25 million for remote learning technology grants. These funds are separate from, and additional to, the \$502 M distributed under the Municipal Coronavirus Relief Fund program. DESE is also administering other CARES Act funds, most notably Elementary and Secondary Education Relief (ESSER) Funds. For more information, please see: <https://www.mass.gov/doc/dese-fall-reopening-guidance/download>.

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

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

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

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

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

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

Note: This answer was added in the July 20, 2020 version of this document.

Process

Q: Can my municipality apply for eligible expenditures that were incurred in FY20 in Round 2?

A: Yes. Eligible expenditures incurred in FY20 will be permissible for reimbursement in Round 2. Please consult [DLS Bulletin 2020-07](#) for more information on how to account for CARES Act Coronavirus Relief Fund - Municipal Program dollars.

Q: When will the application process open for Round 2?

A: A date for the application process for Round 2 has not been announced at this time. However, we anticipate circulating further guidance by late September.