

## Kane County Coronavirus Relief Fund Frequently Asked Questions (FAQ)

Kane County hosted a webinar on August 18, 2020 for municipalities who will receive awards under the Coronavirus Relief Fund, which reimburses eligible expenses that are necessary to and specific to the municipality's COVID-19 response between March 1, 2020 and December 30, 2020. Following is a summary of questions submitted in advance or posted during the August 18, 2020 webinar and Kane County's responses. Questions and answers are categorized by topic:

1. Allocations, Application and Budget
2. Eligible Expenses and Procurement
3. Payroll
4. Processes and Timeline
5. FEMA and CRF Funding

This "frequently asked questions" (FAQ) document will continue to be updated throughout the CRF program and will be available on the county's Coronavirus Relief Fund webpage: <https://www.countyofkane.org/crf>.

### **Allocations, Application and Budget**

1. **Q:** How did Kane County select the percentages to allocate CRF awards to Kane County Departments and units of government, including incorporated and unincorporated Kane County? Incorporated Kane County's population is higher than 34% of the total County population, so upon what is the CRF allocation for incorporated Kane County based?

**A:** Kane County received a total CRF allocation of \$92.9 million from the U.S. Treasury.

- About \$13.6 million is reserved for grants to businesses, nonprofits and administration of the CRF programs.
- That leaves about \$79.3 million to allocate to units of government.
  - Kane County Departments will receive about 55% of that \$79 million.
  - Units of government will receive about 45% of that \$79 million.
  - That breaks into incorporated Kane County and unincorporated Kane County.

About 34% of the total \$92.9 million dedicated to units of government in incorporated Kane County. This amount for incorporated Kane County is derived from the percentage of total CRF allocated to Kane County, not the percentage of population of Kane County.

2. **Q:** How do you define the word “significant” in terms of the 2019 population estimates that you referenced?

**A:** Municipalities may have documentation illustrating that the population has increased from the 2019 U.S. Census population estimates that were used in the CRF allocation formula. If so, a Municipality may submit a request for review and supporting documentation to Kane County. The Kane County Board will consider the information when deciding how to allocate funds currently designated as contingency funds.

3. **Q:** We already submitted our population increase information. Do we need to submit that again?

**A:** Some Municipalities have already submitted alternative population estimates to Kane County. However, please re-submit this information directly to the email address: [CRF@co.kane.il.us](mailto:CRF@co.kane.il.us).

4. **Q:** Please explain the process of submitting a modified budget under the Kane County Coronavirus Relief Fund.

**A:** Leading up to October 15, 2020, if you need to request reimbursement that wasn't originally approved in your CRF Project Budget and Narrative, or if you have a significant balance of unspent funds through the CRF allocation, then a budget modification can be submitted to Kane County to try to utilize the full balance through additional or new eligible expenses incurred before December 30, 2020.

5. **Q:** Can applicants add additional rows in applications and/or reimbursement request spreadsheets if we plan to request reimbursement for more items than space allows?

**A:** Yes. If applicants need additional rows added to the Excel Spreadsheet, the form is editable so that additional rows can be inserted. All calculations and formulas should recognize and calculate correctly the additional rows. However, please check the calculation of the total amount requested on the Summary Tab is a true sum of the total amount listed on each tab for the expense types.

6. **Q:** Will we need to send back unused funds if not fully spent per our estimated budget?

**A:** Yes. Section 601(f)(2) of the Society Security Act and 5001(a) of the CARES Act provide for the recouping of unspent funds by the U.S. Treasury. If a unit of government does not use its entire CRF allocation by December 30, 2020, then Kane County will be required to return those funds to the U.S. Treasury. Kane County will work directly with municipalities who are identified by October 15, 2020 as at risk of not fully spending their CRF allocations.

**Eligible Expenses and Procurement:**

7. **Q:** We provided assistance of up to \$100 to our utility billing customers directly impacted by a loss of income due to COVID-19. This is listed as a qualifying expense in the Treasury's Q&A. Would this be reimbursable through the Kane County Coronavirus Relief Act program?

**A:** Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the Recipient (i.e., the municipality) to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the U.S. Treasury Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

8. **Q:** We have had to quarantine individuals for travel purposes and potential exposures for two-week periods. Are the payroll costs for those employees who self-quarantined eligible expenses? Also, are the costs for covering their shifts eligible for reimbursement whether it was overtime or regular time?

**A:** Public health expenses related to quarantining individuals are eligible for reimbursement under the CRF program. 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 U.S. Treasury 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. Payroll or benefit expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency are not eligible for reimbursement.

9. **Q:** May Coronavirus Relief Fund (CRF) payments be used to cover increased administrative leave costs of public employees who could not telework in the event of a stay at home order or a case of COVID-19 in the workplace?

**A:** 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. 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.

**10. Q:** Will you accept Form ICS 214 as support for hours worked responding to COVID-19?

**A:** Yes. ICS 214 activity logs for emergency-related incidents are acceptable forms of supporting documentation for payroll reimbursement requests.

**11. Q:** Full and open competition was not possible for personal protective equipment (PPE) during April and May 2020. As such, we could not get three bids for PPE, it was not possible. What do we do in a case of such emergencies?

**A:** Uniform Guidance Procurement Standards allow for sole source procurement if the time it would take to seek competitive bids would delay the unit of government's response to a public emergency. Documentation is required to verify and justify the non-competitive procurement. (2 CFR 200.320)

FEMA<sup>1</sup> provides guidance for documentation for exigent or emergency procurement instances. Such documentation follows:

- **A justification to describe the emergency or exigent circumstances:** Explain why sole-sourcing is necessary based on the specific conditions and circumstances that demonstrate why immediate or urgent action is needed. Include the specific steps taken to determine why full and open competition could not have been used. A separate justification is required for every sole-sourced contract.
- **A brief description of the goods or services:** Justify the need for the specific good or service being contracted to address the emergency or exigency circumstance.
- **Estimate the expected dollar amount of the goods or services:** A cost or price analysis is required for all procurement transactions above \$250,000.
- **Describe any known conflicts of interests** and efforts made to identify possible conflicts of interests. If no efforts were made, explain why.
- **Define and justify the period of emergency or exigency for the specific situation:** The period of emergency or exigent circumstances may vary per incident.
- **Transition to a competitively bid contract as soon as the emergency or exigent period ends:** Failure to plan for transition to a competitively bid contract cannot be the basis for continued use of the emergency or exigency exception.

**12. Q:** To purchase a case of disinfectant spray, we would need to go through a competitive bid process?

**A:** Absent a statewide waiver from procurement standards under the Uniform Guidance for federal grants, competitive procurement requirements outlined in 2 CFR 200.320 apply to all new purchases under the CRF program before December 30, 2020. For past purchases made between March 1, 2020 and August 31, 2020, the request for reimbursement must provide a justification and documentation to support a non-competitive procurement as a result of the COVID-19 public health emergency. See additional guidance in the response to Question 9 above.

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<sup>1</sup> <https://www.fema.gov/grants/procurement/understand-exception>

**13. Q:** We provided grants of \$5,000 to small businesses to reimburse the costs of business interruption. This is listed as a qualifying expense in the Treasury Q&A. Would this be reimbursable through the Kane County CRF program?

**A:** No. Municipalities in Kane County may not transfer their CRF allocations to local businesses and seek reimbursement for those costs. Rather, Kane County has dedicated funds in the CRF program to directly assist small businesses.

**14. Q:** We have expenses for providing outdoor dining areas on public properties (picnic tables, hand washing stations, etc.) to help businesses comply with the Restore Illinois plan. Are these eligible expenses?

**A:** Expenses will be considered on a case-by-case basis to align with evolving U.S. Treasury guidance and based on the documentation available to support the reimbursement request. At a minimum, the reimbursement request must include a narrative to verify and justify the following:

- (1) The expense was incurred between March 1, 2020 and December 30, 2020.
- (2) The expense was *necessary* and *due to* the municipality's COVID-19 response to the public health emergency.
- (3) The expense is not filling a shortfall in government revenues.
- (4) The expense is not funded through another budget line item or allocation as of March 27, 2020, OR the line item was for a substantially different use when originally approved.
- (5) The expense would not exist without the COVID-19 public health emergency.

**15. Q:** Our administrative directors for finance and other departments have spent significant time amending the budget and creating COVID-19-related trainings. Could any of their time be reimbursed through the CRF program?

**A:** Administrative staff are not deemed "substantially dedicated" under the U.S. Treasury Guidance. That means base salaries for administrative staff would not be eligible for reimbursement under the CRF program. However, administrative staff overtime necessary to the COVID-19 response could be eligible with appropriate documentation to verify that the overtime is "substantially dedicated" to the emergency response. Administrative leave expenses related to COVID-19 are also eligible for reimbursement.

**Payroll:**

**16. Q:** Would the following situations be reimbursable costs under the Coronavirus Aid, Relief, and Economic Securities (CARES) Act?

1. A shift of Public Health Workers that were home, but on call to decrease the number of staff working in the field at one time due to the COVID-19 Pandemic.
2. Employees being paid under the new Emergency Paid Sick Leave (EPSL) act that fall under the 6 new categories related to the COVID-19 Pandemic.

**A:** Both could be eligible expenses as long as the CRF Project Budget and Narrative and the supporting documentation with each reimbursement request provide evidence that those shifts in duties or hours worked were specific to and necessary to the municipality's COVID-19 response.

**17. Q:** All salaries were present in the initial budget submission. However, some police officer calls are specific to the COVID-19 Pandemic. Would their time spent on responding to COVID-19 call types be reimbursable, even if it didn't trigger overtime pay or additional pay for such officers? Guidance states that it assumed all public safety salaries are reimbursable for the time period from March 1, 2020 – December 30, 2020.

**A:** New U.S. Treasury supplemental guidance issued on September 2, 2020 clarifies that police officers, firefighters and other first responders are *substantially dedicated* to the COVID-19 public health emergency and, therefore, qualify for reimbursement of the full payroll expenses incurred between March 1, 2020 and December 30, 2020<sup>2</sup>.

**18. Q:** What benefits are eligible for reimbursement through the Coronavirus Relief Fund?

**A:** The U.S. Treasury supplemental guidance issued on September 2, 2020 specified that benefits associated with eligible employee salaries may include, but are not limited to, the costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (federal and state), workers compensation insurance, and Federal Insurance Contributions Act (FICA) taxes (which includes Social Security and Medicare taxes).

**19. Q:** We have tracked the calls we received related to COVID-19 for our police officers, but we don't know how much time the officer spent on that specific call. Can we use the number of COVID-19 calls the police department received in one day divided by the number of total calls to get a percentage for that day? Then, is it permissible to take that percentage and multiply it by the total of police department salaries for that day to come up with a reimbursement amount?

**A:** The U.S. Treasury supplemental guidance issued on September 2, 2020 clarifies that police officers are deemed *substantially dedicated* to the COVID-19 public health emergency. Work performed by employees classified as substantially dedicated are eligible for full reimbursement of payroll expenses and do not need to supply an hour-by-hour documentation of time spent mitigating or responding to the COVID-19 public health emergency.

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<sup>2</sup> <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>

**20. Q:** Will the county apply the U.S. Treasury’s Guidance that as a matter of “administrative convenience,” payroll costs for public safety employees are presumed to be for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency? And, because every police and fire call for service/engagement involves the need for awareness about the risk of Coronavirus infection, can all payroll expenses for public safety personnel be submitted as an eligible expense under the Kane County CRF program?

**A:** Kane County will apply the U.S. Treasury Guidance, which says, “as an administrative accommodation, a State, local, or tribal government may presume that public health and public safety employees meet the substantially dedicated test, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.”<sup>3</sup>

Employees classified as substantially dedicated as described in the U.S. Treasury’s supplemental guidance updated September 2, 2020 will be eligible to receive full reimbursement of their payroll expenses from the Coronavirus Relief Fund. These public health and public safety employees identified as substantially dedicated do not need to support their hour-by-hour time spent mitigating or responding to the COVID-19 public health emergency.

However, employees classified as administrative and *not substantially dedicated* as described in the September 2, 2020 supplemental guidance and FAQ No. 47<sup>4</sup> must track their time spent related to COVID-19 and may seek reimbursement for payroll expenses of the time dedicated to mitigating or responding to the COVID-19 public health emergency between March 1, 2020 and December 30, 2020. Adequate documentation of the time and effort dedicated to the COVID-19 public health emergency must be maintained and submitted with a reimbursement request to Kane County. Eligible reimbursement will be contingent on adequate justification and documentation that the hours worked were dedicated to responding to the COVID-19 public health emergency.

**21. Q:** Are salaries for Public Works employees being paid to stay home and shelter in place to work alternating schedules so that our employees would be available to provide utilities (to assure that we limited exposure and would have employees available to provide service) eligible?

**A:** U.S. Treasury Guidance says that eligible payroll expenses must not be accounted for in the most recently approved budget as of March 27, 2020. To be eligible for CRF reimbursement, the payroll expense (a) cannot lawfully be funded using an approved line item within that budget or (b) the cost is for a substantially different use from the expected use of that approved line item in the budget. U.S. Treasury Guidance specifies

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<sup>3</sup> <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>

<sup>4</sup> <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>

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. Essential to a justification for seeking reimbursement for payroll expenses is to document how the employees’ duties were substantially different from the budgeted amount or function, and how much of the additional expense was directly caused by the COVID-19 response.

### **Processes and Timelines**

**22. Q:** What is the timeline for applications (attachment A and B) referred to in the Kane County Coronavirus Relief Fund Municipal Award Notification and Instructions document being available for inspection and questions? Do these applications require a City Council resolution?

**A:** The deadline for submission of the Kane County Unit of Government Application for Coronavirus Relief funds is September 4, 2020 at 5:00 p.m. CST. The Application does not require City Council resolution, but it does require the signature of an authorized agent on behalf of the unit of government.

Once Kane County approves the application, then Kane County will invite the municipality to enter into an Intergovernmental Agreement (IGA). That IGA must be approved by resolution and signed by an authorized agent of the unit of government.

**23. Q:** Will the county provide a sample IGA for us to bring to our Village Board?

**A:** Yes, Kane County has prepared an IGA document, which will be sent after each municipality’s application is complete. It is a standard document for use by all municipalities.

**24. Q:** If there are anticipated expenses that will occur prior to December 30, 2020, but the item or service is not completed until after December 30, 2020, then is this still eligible for reimbursement? (For example, purchase of equipment but delivery of equipment delayed or not available until after December 30; retrofit of building for HVAC improvements – again, maybe the improvements are not included prior to December 31, 2020).

**A:** U.S. Treasury Guidance allows some flexibility in incurring the cost before December 30, 2020 but the service or commodity not being delivered until after December 30, 2020 only *if* the delay is caused by the COVID-19 public health emergency. The purchase or contract must be completed before December 30, 2020 and supported by documentation of the competitive procurement process to comply with the Uniform Guidance. The delay must also be documented as caused by the COVID-19 public health emergency.

**25. Q:** Can we have a give and take over documentation in a draft form before final submission?

**A:** No. All documents submitted should be final. Technical assistance is available throughout the program, including during the compilation of Applications or reimbursement requests, by emailing [CRF@co.kane.il.us](mailto:CRF@co.kane.il.us).

**26. Q:** Kane County/KEB is being more restrictive than the Department of Treasury, and therefore adding burden to over mandated, and underfunded municipalities, during the pandemic, by the State of Illinois and now Kane County. Why?

**A:** Kane County's CRF Program requirements consistently apply the U.S. Treasury Guidance and Uniform Requirements for federal grants. Any requirements under the CRF program are to ensure accountability both of Kane County and of the municipality should audits of the CRF allocations occur in the future.

### **FEMA and CRF Funding**

**27. Q:** Do the municipalities need to apply for reimbursement through FEMA's Public Assistance Program before submitting application to Kane County? Alternatively, may a municipality apply to Kane County with a caveat that the municipality is seeking reimbursement from FEMA in an anticipated amount?

**A:** No. Municipalities are not required to apply for reimbursement through FEMA before applying for CRF assistance. The CRF allocation is not required to be used as the source of funding of last resort.

- However, a municipality cannot get reimbursed for the same cost under FEMA and under CRF. There is no double-dipping.
- It is recommended that a municipality consider seeking FEMA assistance to cover eligible expenses under the Stafford Act, and then apply for CRF reimbursement of the non-federal matching requirements for the Stafford Act assistance for eligible expenses.
  - Under the Stafford Act and Emergency Assistance Act, FEMA pays 75% of the cost. And the Recipient pays the remaining 25% of eligible expenses, including:
    - Critical services: education, utilities, services, medical services), and
    - Non-critical services: nursing homes, shelters, food assistance).

**28. Q:** If a municipality already submitted an application to FEMA for reimbursement of eligible expenses, should we apply for the Kane County CRF allocation to reimburse the municipality's 25% local match to the FEMA award or for 100% of the amount for which we applied to FEMA?

**A:** To avoid duplication of payment, municipalities can apply through the CRF fund for the 25% local match reimbursement. If the municipality does not receive FEMA assistance by October 15, 2020, then the municipality can discuss with Kane County a budget modification to increase its CRF allocation for the remaining expenses, provided CRF funding is still available.

**29. Q:** How does this interact with FEMA grants? How do we make sure we stay within FEMA guidelines and requirements along with this program?

**A:** Municipalities can apply for FEMA to get up to 75% reimbursement for eligible expenses under the Stafford Act, and then seek reimbursement through CRF for the 25% local match requirement for those FEMA funds.

**30. Q:** Can you file first with the CARES Program and not file with FEMA?

**A:** Yes. However, it is recommended to apply for FEMA first. Just make sure that you do not double dip.

**31. Q:** Please confirm that municipalities can, in fact, apply for both FEMA and CRF awards. We just can't accept funds from both FEMA and CARES for the same thing, correct?

**A:** Correct. Municipalities can apply for FEMA assistance and CRF assistance for eligible expenses under each program requirements. Entities are prohibited from seeking reimbursement for the same expense(s) from two sources. That is a set-up for an audit finding.

**32. Q:** What if your expenses don't meet FEMA thresholds?

**A:** Municipalities are not required to apply for FEMA assistance as a condition to applying for the CRF program.