



To: Local Governments

From: Oakland County Executive Office and Oversight Committee

Re: **June Introductory Memo:** CARES Act Coronavirus Relief Fund – CVT Expenditure Submissions

Oakland County Executive David Coulter, and the Oakland County Board of Commission, are pleased to make available \$30 million of the county's CARES Act allocation to local cities, villages and townships to remediate the impact of the COVID-19 pandemic in your community.

### **Guidelines**

These funds are made available under the following guidelines:

- All expenditures must meet the guidance established by the U.S. Treasury Department, and Oakland County. (Highlight copies are attached to this memo as a pdf. The documents are also available at the following links:  
[Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments](#)  
[Coronavirus Relief Fund Frequently Asked Questions](#)
- All expenditures must be supported by records sufficient to demonstrate that the amount of payments from the Fund have been in accordance with section 601 (d) of the Social Security Act. The CVT must provide existing documentation and agree to participate in the production of documents required by any future audit of the CARES Act program, and funds not spent in accordance with the Act must be returned to the County.
- The CVT must agree that shall they receive direct funding from the federal or state government to cover these expenses, the county money will be returned.
- Each CVT must submit an expenditure form to the County to ensure compliance.
- These funds may be used to pay the 25% "cost share" or "local match" required to obtain FEMA Public Assistance reimbursement. The CVT shall not submit an expenditure submission form for any expense which is eligible to be covered through FEMA Public Assistance Reimbursement.
- These funds may not be re-distributed unless to assist individual residents as permitted by the CARES Act or pay for vendors or services as permitted by the CARES Act.

- The CVT and Oakland County will enter an interlocal agreement prior to disbursement of the funds.

## **Process for Submission and Reporting**

### **Information Guidelines on Eligible Expenses**

Attached to this memo are the U.S. Treasury guidelines and FAQs with some areas of particular interest highlighted. In addition, we have started to put together a list of questions below that we have received from local units of government that may be useful as you review your qualifying expenditures.

### **Phase 1: Next Steps and Timeline**

Step 1 – Review materials, participate in Zoom meeting, ask your questions about eligible expenses

Step 2 - Complete Expenditure Submission Form. The form will be available online starting Thursday, June 11. I will send you a link as soon as it is live. Attached to this memo is an expenditure submission form to give you a sense of the information requested. We understand that these may need to be submitted to the County on a rolling basis, but we are setting June 30 as the first deadline. Monthly deadlines will follow.

Step 2 – County review to confirm eligibility

Step 3 – County and CVT sign interlocal agreement; Board of Commission approves

Step 4 – County disburses funds

### **Funding Cap Per Community**

We hope to be able to accommodate all the eligible expenses within the \$30 million. Should a cap become necessary it will be based on a formula set by the Oversight Committee.

### **Future Phases**

We understand that the process with FEMA may evolve over the next months. We also anticipate that CVTs may have future expenses that meet the eligibility requirements. We will open additional phases of the program to accommodate both areas should funding remain available.

### **Local FAQs (We will continue to add to this as we receive questions)**

Q: May the funds be used to cover the increased cost of workers compensation.

A: Yes. I Yes. From the CARES FAQs, "Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense."

Q: May the funds be used to cover the cost of staff staying at home, but required to be on call for work?

A: Based on this description, there is no connection to COVID-19, and these are budgeted employees, so these costs would not be eligible. If there is additional background, please send it over for review.

Q: May the funds be used to cover the two-thirds FMLA Child Care or COVID 80 leave hours?

A: The Families First Act stipulates additional FMLA for this type of leave.

<https://www.dol.gov/agencies/whd/pandemic/ffcra-employer-paid-leave>

There is no funding for governments, however the CARES FAQs states, eligible expenditure includes, “Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.”

Q: May the funds be used for retirement incentives for employees that were subject to layoff as a result of COVID.

A: Making the case that the cost of retirement incentives are related to COVID-19 is likely to be very difficult.

Q: May the funds be used to cover IT costs, including staff, necessary to provide for teleworking?

A: Yes, the CARES Guidance states, an eligible expenses include, “Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.”

Q: May the funds be used for attorney fees to ensure compliance with health and executive orders?

A: Yes, the CARES Act includes, “Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.”

Q: May the funds be used to cover the increased cost of construction projects because of COVID?

A: Unlikely. May depend on the COVID related rationale provided by the contractor.