

Municipal COVID-19 Response Fund
Frequently Asked Questions
Last Updated January 20, 2021

The Division of Municipal Finance is providing these Frequently Asked Questions (“FAQs”) to assist municipalities with their use of Coronavirus Relief Fund (“CRF”) dollars. Municipalities must follow the Coronavirus Relief Fund for States, Tribal Governments, and Certain Eligible Local Governments issued by the U.S. Department of Treasury¹ (“Treasury Guidance”). These FAQs are not a substitute for reviewing the Treasury Guidance. Municipalities will be liable to the state for any amounts of CRF used on expenditures deemed by Treasury to be ineligible.

A. Eligibility Questions

1. Are EMA staff considered eligible employees?

EMA staff are eligible for time spent working on mitigating or responding to the COVID-19 emergency. To seek reimbursement, for each employee and per pay period, there should be time sheets and attestation/description demonstrating the amount of the employee’s time that was dedicated to COVID-19 related activities, with a description of the COVID-19 activities.

Note that many EMA staff may also have their work reimbursed by FEMA. Cities and towns should first seek FEMA reimbursement for these expenses.

2. Do we exclude reimbursement received from FEMA for public safety overtime?

Yes. Pursuant to Treasury Guidance, CRF funds may not be used for “[e]xpenses that have been or will be reimbursed under any federal program.” This would include any expenses for which a city or town has or will receive FEMA reimbursement.

3. Is animal control considered Public Safety?

No. Animal control employees are not considered eligible for the public safety presumption.

4. Is the payroll costs for administrative employees eligible for CRF?

Administrative employees are not presumed to be CRF eligible under the public safety and public health payroll presumption. However, the payroll and benefits costs for administrative employees may be eligible for CRF for time the employee spent mitigating or responding to COVID-19. In that case, specific documentation is required to show the COVID-19 work the employee performed, and the time spent on that work. This issue is discussed in detail in the

¹ The Treasury Guidance is available here: https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf.

state's [Policy for Charging Public Employee Payroll To the Coronavirus Relief Fund](#), specifically section 4.B.2.iii. Municipalities must follow the terms of that policy.

5. Does Covid reimbursed sick time need to be removed to from payroll data for police and fire fighters?

Treasury Guidance states that “[e]xpenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID–19 public health precautions” is an eligible CRF expense. If you are claiming these expenses, you should retain documentation to satisfy that the leave was provided to enable compliance with COVID-19 public health precautions.

6. Does police wages such as police detail need to be removed to from payroll data for police and fire fighters?

It depends. To begin with, any claimed wages must comply with the presumption for public safety payroll as set forth in the Treasury Guidance. Cities and towns should familiarize themselves with that Guidance and ensure that the wages they include comply with it.

In addition, if a third-party source is reimbursing the city or town for the police detail wages, it would not be eligible for use of CRF. CRF should not be used to cover expenses for which a city or town will receive reimbursement from another source.

7. Are police dispatchers/telecommunications eligible for the public safety presumption?

Treasury Guidance states that public safety personnel eligible for the presumption include: “police officers (including state police officers), sheriffs and deputy sheriffs, firefighters, emergency medical responders, correctional and detention officers, and those who directly support such employees such as dispatchers and supervisory personnel.”

8. What if you pay an outside party for dispatching services? Can the monthly amount paid for dispatching services be included?

These expenses are not eligible for the public safety presumption. Only qualifying public safety employees employed by the municipality are eligible.

The eligibility for this expense would have to be analyzed like any other contractual expense – it would need to be necessary for the public health emergency, unbudgeted, and incurred in the relevant time period. Please consult the Treasury Guidance for how to apply these principles.

9. Are expenses for people hire to handle the FEMA reimbursements eligible?

Expenses for hiring people to handle FEMA reimbursement should be reimbursable by FEMA. Cities and towns should first seek FEMA reimbursement for these expenses.

10. Are employer pension expenses eligible?

For employees whose work qualifies for CRF reimbursement, Treasury Guidance states CRF can be used for benefits that “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).”

However, any benefits charged should be directly linked to work performed. Lump sum pension contributions made on behalf of broad classes of employees, that do not tie to specific employees and specific work periods, are not eligible. In other words, pension contributions as part of a normal payroll item are eligible, but annual or other non-payroll periodic payments are not.

11. What about Health Insurance benefits? We are self insured and make a "payment" to our Internal service fund on a monthly basis. Can those monthly amounts be included?

The same principle as set forth in the question above applies. Lump sum payments made on behalf of broad classes of employees, that do not tie to specific employees and specific work periods, are not eligible.

12. Can we meet the requirement with just wages and not include benefits?

Yes. You may choose to use CRF to reimburse wages without reimbursing benefits.

13. Are clothing allowance and longevity presumed to be included for CRF?

The Treasury Guidance does not speak to this. It states that “[p]ayroll includes certain hazard pay and overtime, but not workforce bonuses” and that “[c]overed benefits 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).” Payments that are included in this list or consistent with the Treasury Guidance may be included.

B. Reporting/Documentation Questions

1. If the transaction register "Amount" needs to equal the "Documentation File", is an Excel file acceptable as meeting the required documentation for CRF?

The transaction register amount does not need to equal the amount in the documentation file. The documentation file should at least equal or exceed the transaction register amount.

The purpose of the documentation file is to establish records sufficient to satisfy Treasury Office of Inspector General's record retention requirements. The documentation file should contain records sufficient to satisfy an auditor's inquiry into the expenses. So you should present records kept or generated in the normal course of business.

If the documentation file amount exceeds the amount in the transaction file, you may include a cover note or cover spreadsheet in the documentation explaining the discrepancy. For example, if you run a payroll report that includes amounts reimbursed from other sources, the cover report or spreadsheet could explain what amounts from the documentation file were covered from other sources and that the amount in the transaction register was reduced to reflect that.

2. How would I show grant funds that reimbursed OT and offset my payroll report?

Follow the guidance set forth in the answer to question B.1 above.