



OAG-update

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Office of the Auditor General
State of Rhode Island
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Covid-19 Resources for Local Governments

This *OAG-update* includes links to specific resources to assist local governments dealing with various issues related to the COVID-19 pandemic. We will continue to share new guidance and other relevant information as it becomes available.

GFOA - GFOA's website offers many tools and resources to help municipalities navigate the financial consequences from the pandemic.

- [Fiscal First Aid Resource Center](#) – GFOA provides a detailed 12-Step Fiscal First Aid Recovery Process. In addition, GFOA has issued three key research papers:
 - [Cash is King](#): Short-term strategies to slow the flow of money out the door and keep the budget balanced
 - [Maintaining Treasury Operations During the COVID-19 Crisis](#)
 - [Working Remotely](#): Contains a checklist of items for governments to consider
- [COVID-19 Response Resources](#) – This page provides information on federal funds available to states and local governments and links to additional details. Many of the federal funds will flow from the state to the local governments, but there are some grants that a local government may apply for directly. Additional information about the federal programs can also be found at [FAQ & Advocacy Resources](#).

Deferral of Employer's Share of Social Security Tax Deposits and Payments - Section 2302 of the [CARES Act](#) permits employers to defer the deposit and payment of the employer's share (excluding Medicare portion) of Social Security taxes under Section 3111(a) of the IRS Code. The IRS has issued guidance to further clarify this provision of the CARES Act [IRS - FAQ on SS tax payment deferral](#). The deferrals apply to taxes originally due between March 27, 2020 and December 31, 2020. The deferred taxes will be due and payable to the IRS in 50% installments on December 31, 2021 and December 31, 2022 in order to avoid a failure to deposit penalty.

GASB Emergency Toolbox - The Governmental Accounting Standards Board (GASB), through the [Emergency Toolbox](#) has provided a quick reference guide to accounting issues that could be relevant to financial reporting as a result of the COVID-19 pandemic such as capital asset impairment, going concern considerations, subsequent events, and troubled debt restructuring.

Municipal Liquidity Facility (MLF) – This new program allows qualifying state and local governments to sell their tax anticipation notes directly to the Federal Reserve. Qualifying governments are determined based on population and no Rhode Island local government currently qualifies; however, changes in eligibility for this program will be monitored.

FEMA – This new grant program for fire departments is part of the Coronavirus Aid Relief and Economic Security (CARES) Act through FEMA Assistance for Firefighters Grant Program (AFGP). FEMA began accepting applications for the Fiscal Year 2020 Assistance to Firefighters Grant – COVID-19 Supplemental Program (AFG-S) on April 28 - the deadline for applications is May 15. <https://www.fema.gov/news-release/2020/04/23/fema-makes-additional-100-million-available-firefighters-covid-19-response>

Single Audit Extension - The Office of Management and Budget (OMB) issued memorandum [M-20-17](#) on March 19, 2020 for entities receiving federal funds to allow an extension to file the Single Audit report for those entities affected by the loss of operational capacity due to COVID-19. The extension applies to entities that have not yet filed Single Audit reports with the Federal Audit Clearinghouse (FAC) as of the date of the memorandum and applies to fiscal year-ends through June 30, 2020. The extension allows submission of the Single Audit reporting package up to six (6) months beyond the original due date. Recipients and subrecipients are not required to seek approval for the extension; however, they should keep documentation of the reason for the delayed filing. The FAC website ([Federal Audit Clearinghouse - Home](#)) advises that audit reporting packages should include a reference to the memorandum [M-20-17](#) to keep Federal agencies and pass-through entities informed. Recipients and subrecipients making use of the extension would still qualify as a "low-risk auditee". The memorandum allows for other relief relating to Uniform Guidance requirements for federal awards.

No similar automatic audit extensions are planned for municipalities required to submit audit reports to the OAG and Division of Municipal Finance six (6) months after fiscal year end. We will continue to grant needed extensions on a case by case basis.

OAG-update provides periodic information of interest to state entities, municipalities, school districts, charter schools and fire districts. Contact the **Office of the Auditor General** at 401.222.2435 or dennis.hoyle@rioag.gov for additional information.