

MEMORANDUM

TO: Municipal Coronavirus Relief Fund Recipients
FR: A&F Federal Funds Office (FFO)
DT: December 29, 2020
RE: Extension of CARES Act Coronavirus Relief Fund Covered Period

On December 27, 2020, an extension of the CARES Act Coronavirus Relief Fund “covered period” was signed into law. This change extends the deadline for use of the Coronavirus Relief Fund from **December 30, 2020 to December 31, 2021**. This memorandum provides an updated definition of eligible uses.

Background

CARES Act Coronavirus Relief Fund

On March 27, 2020, the federal Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) was signed into law. This \$2.2 trillion package created the Coronavirus Relief Fund (CvRF), a \$150 billion effort to provide state and local governments with resources to address unexpected costs incurred due to COVID-19. The Commonwealth of Massachusetts received approximately \$2.7 billion from this fund, including \$2.4 billion paid to the Commonwealth, \$121 million for the City of Boston, and approximately \$91 million for Plymouth County.

Coronavirus Relief Fund – Municipal Program

On May 14, 2020, A&F partnered with the Department of Revenue’s Division of Local Services (DLS) to create the Coronavirus Relief Fund – Municipal Program (“CvRF-MP”) for eligible municipalities to access the Coronavirus Relief Fund (excluding the City of Boston and municipalities in Plymouth County). CvRF-MP made up to approximately \$502 million available to eligible municipalities.

Eligible Uses as Revised by Phase 4.0 Legislation

On December 27, 2020, new legislation was signed into law that amended the “covered period” during which recipients must receive the beneficial use of eligible expenses.

To be an eligible use of the CvRF, expenses must meet at least three major statutory conditions. Date changes included in Phase 4.0 are highlighted in **bold**:

- “Necessary expenditures incurred due to the public health emergency with respect to ... COVID-19”
- Expenses must be unbudgeted as of March 27, 2020

- Expenses must be incurred during the covered period beginning March 1, 2020 and ending **December 31, 2021**
 - Treasury has clarified that to be an eligible use of the CvRF, recipients must receive the “beneficial use” of the good or service (goods delivered and in use or services rendered) by **December 31, 2021**.
 - Program guidance issued prior to the enactment of Phase 4.0 indicated that payments for eligible expenses can be made up to 90 days following the end of the covered period, or **March 31, 2022**.

Note About the Potential for Further CvRF-MP Changes

CvRF-MP participants are reminded that major elements of CvRF are defined in program guidance issued by the US Department of the Treasury. Anticipated changes in personnel and priorities at Treasury on or after January 20, 2021 may have a material impact on CvRF-MP.

Contact Us

Inquiries about CvRF-MP can be submitted to A&F using this web-based submission form:
https://massgov.formstack.com/forms/municipal_covid_spending_questions