

MEMORANDUM

TO: Municipal Chief Executives
FR: Heath Fahle, A&F FFO
DT: September 15, 2021
RE: Close Out Process for the Coronavirus Relief Fund – Municipal Program

The Commonwealth of Massachusetts made up to \$502 million in federal resources available to municipalities to respond to the public health emergency caused by the Coronavirus Disease (COVID-19) through the Coronavirus Relief Fund – Municipal Program (CvRF-MP). This memorandum instructs municipalities how to close out their CvRF-MP grant.

Steps to Close Out CvRF-MP

1. *CvRF-MP & FEMA PA Interaction:* Determine the status of pending FEMA PA applications via the FEMA Grants Portal
 - a. Municipalities are now permitted to withdraw FEMA applications and use CvRF-MP resources for applications in stages that precede the “Recipient Final Review” stage
 - b. FEMA applications with the status “Recipient Final Review” should complete the FEMA application process. Costs rejected by FEMA can be supported by CvRF-MP resources to the extent that they are also eligible for CvRF-MP
2. *Reconciliation Period Applications:* If you have a remaining CvRF-MP balance held by the Commonwealth and eligible expenses, apply for reimbursement through the [CvRF-MP Reconciliation Period application](#)
 - a. A&F will verify that the municipality pursued FEMA reimbursement for all FEMA-eligible costs
3. *CvRF-MP Quarterly Reporting:* Report all CvRF-MP expenditures through the quarterly spending process
4. *Close Out Certification:* Complete the [CvRF-MP Close Out Certification Form](#)
 - a. Verify all reported data
 - b. Acknowledge ongoing compliance obligations
 - c. If applicable, return any unspent balance to the Commonwealth

Supporting Information

CvRF-MP & FEMA PA Interaction

Municipalities were required to pursue reimbursement through the Federal Emergency Management Agency Public Assistance (FEMA PA) grant program for eligible expenses per the grant agreement between each municipality and the Commonwealth ([Attachment B Certification](#)). A&F recognizes that FEMA applications are in various stages of the application process (e.g., in development, submitted pending FEMA review, decision appeal). Municipalities

should determine the status of pending FEMA PA applications through the FEMA Grants Portal at <https://grantee.fema.gov>. If you are unable to access your account, please e-mail disaster.recovery@mass.gov.

Effective as of the date of this memorandum, municipalities are now permitted to use CvRF-MP resources to support FEMA-eligible costs if the status of the application precedes “Recipient Final Review”. For applications with a status of “Recipient Final Review”, the municipality should allow FEMA to review the application. Costs rejected by FEMA but eligible for CvRF-MP can be supported with CvRF-MP to the extent available to the municipality.

Further, on August 17, 2021, a new [Presidential memorandum](#) made [certain costs](#) retroactively eligible for FEMA reimbursement, such as personal protective equipment for non-first responders, certain cleaning and sanitation costs, and other related items. A&F expects municipalities to pursue reimbursement for these newly eligible costs to the extent practical.

Please note that the reimbursement rate for the FEMA PA program was changed from 75 percent to 100 percent for the COVID-19 national emergency declaration. This change may cause a CvRF-MP unspent balance for many municipalities.

Reconciliation Period Applications

On June 1, 2021, A&F announced [a final extension of the CvRF-MP Reconciliation Period deadline to 4pm on Friday, October 29, 2021](#). Municipalities with a remaining balance of their allocation held by the Commonwealth can apply for reimbursements until that date. This deadline provides cities and towns with more time to access CvRF-MP funds and gives the Commonwealth the ability to reallocate unexpended balances instead of returning them to the federal government.

In general, A&F expects municipalities to receive the beneficial use of CvRF-MP resources (i.e., goods delivered, services rendered) by October 29, 2021. A&F may, in limited circumstances, pre-approve use of CvRF resources if the beneficial use will take place between October 30, 2021 and December 31, 2021. However, this pre-approval will need to occur by October 29, 2021.

Please note that CvRF eligible expenses must be necessary due to the COVID-19 public health emergency and provide a beneficial use by December 31, 2021. This standard is more difficult to satisfy, especially for proposed equipment purchases and capital expenses that are unlikely to provide additional capacity for the municipal response to the public health emergency. Also note that eligible use determinations recognize the availability of other federal grants, such as the Coronavirus Local Fiscal Recovery Fund (CLFRF), for similar expenses.

As noted above, each municipality was required to pursue reimbursement through FEMA PA for eligible expenses per the grant agreement with Commonwealth ([Attachment B Certification](#)). As

part of the CvRF-MP Reconciliation Process, A&F will verify that the municipality made reasonable efforts to pursue FEMA reimbursement for eligible costs. Reasonable efforts include, but are not limited to, formulating an application in the FEMA Grants Portal, responding to Requests for Information (RFIs) from FEMA and/or the Massachusetts Emergency Management Agency (MEMA), interacting with a MEMA projector coordinator, or other relevant actions.

CvRF-MP Quarterly Reporting

The Commonwealth requires quarterly spending reports from municipalities to meet US Treasury reporting requirements for the Coronavirus Relief Fund. Municipalities have submitted spending reports on September 25, 2020; November 13, 2020; March 5, 2021; June 4, 2021; and September 3, 2021. These reports have covered expenditures incurred from March 1, 2020 through June 30, 2021.

The most recent quarterly spending report was due to A&F on September 3, 2021 and covers expenditures incurred from April 1, 2021 through June 30, 2021. If you have not yet submitted this report, please do so as soon as possible. The sixth reporting deadline is December 3, 2021. As the deadline to drawdown and use additional CvRF-MP dollars is October 29, 2021, A&F expects municipalities to have fully reported all CvRF-MP expenditures after submitting this report.

After the December 3, 2021 deadline, A&F will offer monthly amendment periods to report remaining expenditures.

CvRF-MP Close Out Certification & Return of Unspent Balances

A municipality must have fully reported all CvRF-MP expenditures to close out the grant. This means that the amount paid through CvRF-MP must match the amount reported through quarterly spending reports.

Please note if your municipality has an unspent CvRF-MP balance, we will require those funds to be returned to A&F. Municipalities will be required to return unspent CvRF by mailing a check to A&F. More guidance will be provided in the coming weeks.

Municipalities must complete the CvRF-MP Close Out Certification Form [here](#) to close out the grant. In this form, you will be required to:

- Confirm accuracy of data
 - Total Eligible Amount
 - Amount Received through CvRF-MP
 - Amount Reported through CvRF-MP (*should match amount received*)
- Confirm amount to be returned to the Commonwealth (*if applicable, only if amount reported is less than received*)

- Confirm eligible use of CvRF dollars under Treasury and A&F guidance
- Confirm that your municipality worked with MEMA and took all necessary steps to seek FEMA PA reimbursement
- Confirm understanding of ongoing compliance obligations
 - Municipalities are still subject to A&F desk reviews and other audits as applicable
- Confirm understanding of reporting expectations
 - After completion of the close out process, your municipality is not subject to future Commonwealth CvRF reporting deadlines

Upon submission of form, A&F will:

- Confirm all reported data, including amount to be returned to the Commonwealth
- Complete compliance evaluation to ensure eligibility of reported expenditures
- Verify that your municipality pursued FEMA reimbursement for eligible costs
- Communicate with municipalities regarding any data or compliance concerns
- To the extent applicable, municipalities will receive instructions to return the CvRF-MP unspent balance to the Commonwealth to fully close out the grant
- Send a grant close out confirmation notice when the process is complete