

MEMORANDUM

TO: Coronavirus Relief Fund – Municipal Program Recipients
FR: Heath Fahle, A&F FFO
DT: October 8, 2021
RE: CvRF-MP Eligible Expenses

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). On September 15, 2021, A&F [issued a memorandum](#) describing the steps required for a municipality to close out their CvRF-MP grant. In response to this guidance, some municipalities have inquired about eligible uses of these funds. This memorandum summarizes the eligibility criteria and provides examples of eligible uses for CvRF-MP.

Eligible Use Criteria

CvRF-MP provides municipalities with resources to address unexpected costs associated with the COVID-19 pandemic. The Coronavirus Relief Fund is administered at the federal level by the US Department of the Treasury (“Treasury”). Oversight and audit responsibilities are assigned to the US Department of the Treasury Office of Inspector General (hereafter, “Treasury OIG”).

Per federal guidance, the Fund is subject to at least three major conditions. These include:

1. “Necessary expenditures incurred due to the public health emergency with respect to ... COVID-19”
2. Expenses must be unbudgeted as of March 27, 2020
3. 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. Note that per the guidance of June 1, 2021, A&F has implemented a program deadline of October 29, 2021 for most expenses and a pre-approval process for expenses anticipated between October 29, 2021 and December 31, 2021.¹

Treasury guidance highlights that “...the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or

¹ All A&F guidance memos related to the Coronavirus Relief Fund – Municipal Program are available at the Division of Local Services COVID-19 website: <https://www.mass.gov/info-details/covid-19-resources-and-guidance-for-municipal-officials#cares-act-for-municipal-government->

performance was sought...”.² As noted in the June 1, 2021 and September 15, 2021 guidance memos, A&F eligibility determinations adhere to this standard. As a result, some expenses that were viewed to be eligible uses at earlier points in the public health emergency are more difficult to justify as eligible now.

Eligibility determinations also acknowledge the availability of other federal grants for similar costs. While the Coronavirus Relief Fund specifically requires costs be “necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)”, the Coronavirus Local Fiscal Recovery Fund (CLFRF) does not have the same requirement.³ Treasury's CLFRF guidance has also clarified the eligibility of certain expenses that were not clearly articulated in its CvRF guidance. A&F now considers these expenses as ineligible for CvRF-MP given this new information.

Examples of Eligible Costs

A&F published a list of Potential Municipal Uses (also known as “Attachment A”) as a component of the program guidance published in May 2020. To support municipal efforts to allocate costs to the Coronavirus Relief Fund, please find the Attachment A categories with descriptions of CvRF-MP eligible costs under current Treasury guidance described in **bold**.

Further, to ensure compliance with federal audit requirements, the eligibility of all expenses must be documented at the time the expense is incurred. This includes a written determination of necessity due to the public health emergency. This documentation should be available upon request.

Attachment A

- Core municipal services, in a declared state of emergency (**Note: the declared state of emergency ended**)
 - First responder costs, including:
 - Direct staffing costs – Overtime spent working directly on COVID-19, additional hires, and/or backfilling staff who test positive
 - **Note: The cost of backfilling staff who test positive should be charged as paid sick leave for the sick employee**
 - Quarantine/isolation costs for first responders who may be infected and should not put household members at risk – or who should be kept apart from potentially infected household members
 - **Original examples still applicable**
 - Including hotel/motel space, sanitization of first responder vehicles, etc.
 - **Original examples still applicable**

² Coronavirus Relief Fund program guidance <https://www.federalregister.gov/d/2021-00827/p-29>

³ Note that per the terms of CLFRF, each municipality is considered the “prime recipient” of CLFRF and should make its own eligibility determination in compliance with federal rules and regulations.

- Temporary staff to backfill sick or quarantined municipal employees including:
 - City/town management
 - Phone/administrative support
 - Janitorial
 - Police, fire, EMT
 - Trash collection
 - Other
 - **Note: Eligibility is limited to staff who are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.**
- Staff for compliance and reporting associated with this funding
 - **Examples: documented hours worked on CvRF administration, including complying with reporting requirements, Reconciliation Period application submission, or producing documentation to support eligibility determinations**
- Accelerated telework capacity – infrastructure, subscriptions for meeting services, hardware (laptops)
 - **These costs are more difficult to justify given the “reasonableness” touchstone described above. Eligibility documentation should include a description of why the expense(s) were not incurred during the public health emergency but are necessary due to COVID-19 at this time (e.g., a change in circumstances due to the COVID Delta variant).**
- Hiring and training, including training for employees and contractors hired for COVID-19 response
 - **Original description still applicable, please note the necessity of these employees should be evaluated in light of the current state of the pandemic and the work being performed (e.g. emergency response is a CvRF expense while recovery planning is a CLFRF expense).**
- PPE, including first responders, grocery store employees, gas station attendants and others who interact with public
 - **Original description still applicable**
- Sanitation and Refuse Collection
 - **These costs are only allocable to CvRF when associated with congregate care facilities like nursing homes and prisons. Treasury has been clear that regular municipal waste expenses are not an eligible expense.**
- Food inspection
 - **These costs are more difficult to justify given the “reasonableness” touchstone described above. Eligibility documentation should include a description of why such costs are necessary due to COVID-19 at this time.**
- Cleaning/disinfection of public buildings
 - Municipal buildings, including fire stations
 - Public housing
 - Specialized cleaning equipment

- Shelter for those who are homeless or otherwise have nowhere they can go without significant risk to themselves or other household members, and are at high risk of or recovering from COVID-19
 - **Original description still applicable**
- Food banks / food pantries – need to be tied to COVID-19
 - **Original description still applicable. Municipalities should be sure they are able to document the COVID-19 necessity of these services**
- Travel expenses – for distribution of resources
 - **Original description still applicable**
- Transporting residents to COVID-19 medical and testing appointments
 - **Original description still applicable**
- Signage and communication including translation services
 - **These costs are more difficult to justify given the “reasonableness” touchstone described above. Eligibility documentation should include a description of why the expense(s) were not incurred during the public health emergency but are necessary due to COVID-19 at this time.**
- Educational materials related to COVID-19
 - **These costs are more difficult to justify given the “reasonableness” touchstone described above. Eligibility documentation should include a description of why the expense(s) were not incurred during the public health emergency but are necessary due to COVID-19 at this time.**
- Testing for COVID-19
 - **Original description still applicable**
- Services and supports to residents in their homes
 - Grocery and/or meals delivery – modeled on COA activities
 - Expanded participation
 - Replacement of meals delivery volunteer staff (often retirees)
 - **Ongoing costs associated with these costs (i.e., the municipality initiated such services during the public health emergency and have continued such efforts after the end of the public health emergency) continue to be eligible. New costs associated with these items should document why the expense was not incurred during the public health emergency but are necessary due to COVID-19 at this time (e.g., a change in circumstances due to the COVID Delta variant). Any such services must be supported by documentation of need specifically tied to COVID-19.**
 - Wellness check-ins with vulnerable elders
 - **Ongoing costs associated with these costs (i.e., the municipality initiated such services during the public health emergency and have continued such efforts after the end of the public health emergency) continue to be eligible. New costs associated with these items should document why the expense was not incurred during the public health emergency but are necessary due to COVID-19 at this time (e.g., a**

change in circumstances due to the COVID Delta variant). Treasury views these expenses as eligible as related to staffing specifically. The purchase of equipment to facilitate wellness checks is not an eligible use of CvRF.

- Short-term rental or mortgage support
 - **Ongoing costs associated with these costs (i.e., the municipality initiated such services during the public health emergency and have continued such efforts after the end of the public health emergency) continue to be eligible. New costs associated with these items should document why the expense was not incurred during the public health emergency but are necessary due to COVID –19 at this time (e.g., a change in circumstances due to the COVID Delta variant). Eligibility determinations must account for the availability of other federal and state resources for this purpose and the risk of non-compliance due to the complex nature of these programs.**
- Prescription drug delivery
 - **Ongoing costs associated with these costs (i.e., the municipality initiated such services during the public health emergency and have continued such efforts after the end of the public health emergency) continue to be eligible. New costs associated with these items should document why the expense was not incurred during the public health emergency but are necessary due to COVID-19 at this time (e.g., a change in circumstances due to the COVID Delta variant).**
- Other costs not included above
 - **A nonexclusive list of eligible costs not articulated above include:**
 - Contact tracing
 - COVID-related election costs or town meeting expenses necessary to facilitate COVID-19 public health measures
 - COVID-related legal fees and services
 - COVID-related unemployment claims