Treasury guidance provides that the $1.25B received by the state of North Dakota from the Coronavirus Relief Fund (CRF) can be used for costs that:

- Are necessary expenditures incurred due to COVID-19
- Are not accounted for the budget most recently approved as of March 27, 2020 (the date this legislation was enacted)
- Are incurred during the period from March 1, 2020 to December 30, 2020

Revenue Replacement

Question 1: Can states use the CRF to backfill revenue shortfalls?
   Answer: No, revenue replacement is not an allowable use.

Question 2: ND’s college & universities have lost significant revenues due to the pandemic. As a result, many employees are being furloughed and may need to be reduced permanently. Will these CARES Act funds be used to cover COVID-related budget deficits and prevent job losses?
   Answer: No, revenue replacement is not an allowable use.

Emergency Commission Requests

Question 3: If our agency has enough federal spending authority in its 2019-21 budget to cover the amount of COVID-19 expenses that we would want reimbursed from CRF, do we still need Emergency Commission approval?
   Answer: Yes. Pursuant to Century Code Section 54-16-04.1, subsection 7, under the Emergency Commission:

   54-16-04.1. May authorize acceptance and disbursement of federal funds.
   7. A state officer may not expend funds received from the federal government which have not been specifically appropriated by the legislative assembly except as provided in this chapter.

Question 4: Does money for CPACE Response need to be a separate request or will that be part of your comprehensive request?
   Answer: Each agency will submit their request to OMB for inclusion in the statewide request submitted by OMB on behalf of state agencies to the Emergency Commission for CRF funding. If any agency receives a direct allocation under other federal relief programs, those requests should be submitted directly by the agency.
Telework

**Question 5:** The Coronavirus Relief Fund Guidance states that "improving telework capabilities for public employees" is an allowable use of funds. What are specific examples of hardware/software that would qualify for this?

**Answer:** Items that are necessary for employees to be able to perform their duties remotely as a result of complying with telework recommendations would qualify. These items could include laptops, monitors, portable printers, headsets, web cams and additional software licensing (such as adobe, Microsoft, etc.)

**Question 6:** Because of the need for distance learning computers were sent home to the students and with the teachers. With the possible need for future distance learning we plan to leave those computers in the homes and purchase replacement computers for the school. Can we use these dollars for replacement computers? Since we are a state agency, we are not under the school dollars.

**Answer:** If replacement of those computers was not already budgeted for during the 2019-21 biennium, then yes, this would be an allowable use of CRF funding.

**Question 7:** Is funding available for agencies who have incurred costs to set up remote workstations for someone who requires unique accommodations due to an ADA issue?

**Answer:** The guidance provides that “Expenses to facilitate compliance with public health measures, such as improving telework capabilities for public employees” would be an allowable use of CRF.

CRF vs FEMA and other Federal Funds

**Question 8:** It appears that there will be at least 3 funding opportunities available to our agency, the state share of the CARES funding, FEMA-Public Assistance Grants, and Dept of Justice/Bureau of Justice Assistance funding. They all seem to have the caveat that other federal funding sources should be used. Does OMB have any direction on which, and how many of these programs we should apply for?

**Answer:** Certain expenses may be eligible to be reimbursed by one funding source, but not the other. Therefore, agencies should use the available federal funds for reimbursement of as many COVID-19 related expenses as possible through the different federal funding sources. The CRF does not require a match, whereas FEMA funds do. However, the CRF may be used to cover the FEMA match so we encourage agencies to submit expenses through FEMA first and then any remaining expenditures can be requested from CRF in order for us to maximize the funds available to ND.

**Question 9:** The cost share is 75% federal, 10% state, 15% local. Does this mean agencies will get additional funding from the state to cover 10% of COVID costs? Or do we use our existing budget spending authority?

**Answer:** See Question 8 regarding use of CRF versus FEMA funds which require a match.
**Question 10:** Can an applicant submit more than one request for FEMA public assistance relating to COVID-19?

**Answer:** Applicants are allowed to submit numerous projects under the PA program. If an applicant can wait to submit one large project that would be good; however, without knowing the duration of the COVID-19 pandemic, an applicant can submit more than one project to keep cash flowing.

**Question 11:** Is there a minimum amount an applicant can submit for FEMA public assistance?

**Answer:** Yes. There is a requirement that a project must be $3,300 or greater to be processed through the FEMA PA program. Therefore, an applicant should hold on submitting claims for FEMA PA until the amount is over $3,300. Applicants should only submit for Coronavirus Relief Funds (CRF) before FEMA if there is absolute certainty that there will not be additional claims that would bring the total amount over the $3,300 minimum for FEMA.

**Question 12:** Is the funding 100% of expenditures or is it a % that we will receive?

**Answer:** There is a total of $1.25 billion available to the state of North Dakota for CRF. To the extent that these funds are still available, eligible COVID-19 expenses could be reimbursed in full. If, however, reimbursement requests are greater than the CRF available, then requests would need to be prioritized or proportionally reduced.

**Payroll**

**Question 13:** Relating to payroll expenses, can temporary pay work increases due to COVID-19 utilize the Coronavirus Relief Fund? Or would this fall under “Workforce bonus other than hazard pay or overtime”?

**Answer:** Payroll expenses that were not budgeted in the 2019-21 biennium appropriation and are directly related to/resulting from COVID-19, such as overtime, hazard pay and temporary workload increases, would be an allowable use of the CRF. Guidance expressly prohibits the use of CRF for workforce bonuses and severance pay.

**Question 14:** Can funds be used for the temporary hire of a Public Information Officer?

**Answer:** Yes, if the position was not already included in the 2019-21 appropriation. The guidance states that “Payroll expenses for public safety, public health, health care, human services, and “similar” employees whose services are substantially dedicated to mitigating or responding to public health emergency” are an allowable use of CRF.

**Question 15:** Payroll Follow-Up: a person budgeted to work 40 hours per week will now work 50 due to cleaning guidelines at our facilities. Would their overtime expenses be eligible?

**Answer:** Yes. Overtime, hazard pay, and temporary workload increases that are not included in the 2019-21 appropriation and are relating to COVID-19 public health measures or expenses are allowable for CRF.
**Question 16:** Current FTE employee is traveling to boat ramps to put up social distancing signs. Is that the salary and motor pool expenses CRF eligible?

**Answer:** The guidance states that expenses cannot already be accounted for in the budget most recently approved as of March 27, 2020 (the date this legislation was enacted). So, these expenses would not be eligible if the salary and motor pool expenses were already included in the budget.

**Question 17:** An employee typically works on a federal grant but has been asked to do work related to COVID, which the federal grant will not pay for. The employee salary cost does not change but the funding does. Is this an allowable CRF expense?

**Answer:** As long as the position was not already included in the 2019-21 appropriation; the guidance states that “Payroll expenses for public safety, public health, health care, human services, and “similar” employees whose services are substantially dedicated to mitigating or responding to public health emergency” are an allowable use of CRF.

**Question 18:** Could you clarify if the payroll coded as COVID-19 expenses will be something the agency needs to identify for CRF funding?

**Answer:** Payroll for employees that was included in the 2019-21 appropriation is not an allowable use of CRF. However, all payroll and other expenses related to COVID-19 should be tracked using the payroll and financial reporting codes.

**Question 19:** Does PeopleSoft payroll capture CARES Act expenses when internal settings point to it? When this happens does the agency need to do anything further?

**Answer:** The program code is available in PeopleSoft and would need to be keyed into the department budget table. If an agency needs to allocate part of employee’s time, they can reallocate in the time redistribution.

**Question 20:** How will Emergency Paid Sick Leave Act hours be paid back to agencies that are not general funded?

**Answer:** Paid sick leave will be paid from the same source of funds the employee is normally paid from. Although federal guidance appears to allow this as an eligible CRF expense, if the payroll expenses were included as part of the approved budget, OMB is directing that these expenses should not be included in CRF requests at this time. These expenses will only be reimbursed if CRF funding is available at the end of the calendar year.

**Other**

**Question 21:** Is there any “pre-approval” process. Some requests may require procurement and a contract before incurring the expense. Once that is in place, if the reimbursement is declined, it could cause budget/appropriation issues.
**Answer:** For cases where procurement and a contract would be required, the recommendation would be to obtain Emergency Commission approval (and Budget Section approval for requests over $50,000) prior to the procurement process.

**Question 22:** If we receive federal or state reimbursement of COVID costs can we credit appropriations?

**Answer:** Upon Emergency Commission approval, agencies will be given appropriation authority and journal adjustments will need to be done to move existing expenditures to the CRF appropriation.

**Question 23:** State facilities, including university system buildings & infrastructure, may require significant modifications (air handling, physical barriers, additional/enhanced cleaning efforts, etc.) to protect the well-being of citizens, students, staff & faculty. Will the State’s CARES Act funds be used to cover such costs?

**Answer:** In general, if capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then CRF may not be used for such projects. However, CRF may be used for expenses to improve mitigation measures. Therefore, items such as physical barriers and additional cleaning could be an allowable use of CRF if they are considered necessary and a direct response to a public health measure.

**Question 24:** Do the costs have to be received or closed entirely by 31 December? Does the work need to be completed as well by the end of the year, or just the costs?

**Answer:** OMB interpretation of the guidelines would indicate that expenditures must be paid by the December 30th deadline. However, clarification is being sought on a national level as there are different interpretations by states on the actual meaning of this requirement.

**Question 25:** How does this funding apply to the counties? Will these federal funds be used for County Zones?

**Answer:** The guidance permits states to transfer CRF funds to a local government if the transfer qualifies as a necessary expenditure incurred due to the public health emergency.

**Question 26:** How does this funding get distributed to park districts?

**Answer:** Park districts can submit their own requests direct to FEMA for reimbursement, and any distributions approved by FEMA would go directly to the park district. Park districts will also need to submit their requests for CRF to OMB; however, any approval and distribution of CRF will be paid from the ND Treasurer’s Office to the affiliated city or county with special designation for the park district, and then the affiliated city or county would pass the CRF onto the park district.

**Question 27:** Can the State Library purchase cleaning supplies for public libraries to use with CARES dollars?

**Answer:** The guidance does include “Disinfection of public areas and other facilities” for public health expenses as an allowable use of CRF.
**Question 28:** If State employees will be required to wear masks when returning to work, will OMB use CARES funding to purchase masks or will it need to be individual agency requests? If individual agency requests, will there be a term contract that we will be able to buy these masks?

**Answer:** The guidance does include “Acquisition and distribution of medical and protective supplies” related to public health expenses to be an allowable use of CRF. To the extent possible, reach out to OMB Central Supply for your agencies COVID-19 related supply needs, such as masks.