



## New Hampshire Municipal Association

### COVID-19 Municipal Relief Fund (MRF) \$32 Million Authorized by the Governor on May 4, 2020

#### Frequently Asked Questions (FAQ)

Originally Posted May 13, 2020

- Revised May 19, 2020 (Regarding 25% FEMA Match)
- Revised May 28, 2020 (Regarding GOFERR Reimbursement Dates and FEMA )
- Revised July 21, 2020 (Regarding:
  - 1) funding for Entire Payroll Expense for Police, Fire, Public Health;
  - 2) administrative leave costs for employees who could not telework); and
  - 3) when costs are considered 'incurred' has been clarified by Treasury Guidance (updated June 30, 2020) and confirmed by GOFERR (July 21).
- **\*\*\*Revised July 21, 2020 (Additional reimbursement period added for September 1, 2020-October 15, 2020.)**

#### General Questions:

- **What is the \$32 million Covid-19 Municipal Relief Funding the Governor authorized on May 4, 2020?** Under the CARES Act, New Hampshire was allocated \$1.25 billion from the US Treasury for a Coronavirus Relief Fund, sometimes referred to as “Flex Funds”. This money may be expended at the discretion of the Governor and spent in accordance with **US Treasury Guidance.** On May 4, the Governor allocated \$32 million of New Hampshire’s \$1.25 billion for municipal relief. We are calling this the COVID-19 Municipal Relief Fund or MRF.
- **How much money will each municipality receive and how was this amount determined?** A **Town-By-Town allocation** of the \$32 million was determined based upon the 2018 population estimates prepared by the NH Office of Strategic Initiatives. The amount shown on the allocation list is the *maximum* amount a municipality may receive as reimbursement for eligible COVID-19 expenses incurred.
- **How and when will municipalities receive payment from the MRF?** The MRF is a reimbursement program, again with a cap on the amount of reimbursement allocated to each

municipality. Reimbursement requests will be submitted to the Governor's Office for Emergency Relief and Recovery (GOFERR) by the following deadlines for expenses incurred (revised May 28, 2020 and July 21, 2020):

- ~~○ By **June 1, 2020**, for eligible expenses incurred from March 1, 2020, to April 30, 2020;~~
- ~~○ By **July 15, 2020**, for eligible expenses incurred from May 1, 2020, to June 30, 2020; and~~
- ~~○ By **September 15, 2020**, for eligible expenses incurred from July 1, 2020, to August 31, 2020.~~

~~If a municipality fails to submit a request by the applicable deadline, a reimbursement payment for expenses incurred during the applicable time period will not be made.~~

- For allowable costs incurred from March 1, 2020 to April 30, 2020, during any of the three reimbursement period dates of June 1, July 15, or September 15.
- For allowable costs incurred from May 1 to June 30, 2020, during any of the remaining two reimbursement period dates of July 15 or September 15.
- For allowable costs incurred from July 1 to August 31, during the reimbursement period date of September 15.
- For allowable costs incurred from **September 1 to October 15**, during the reimbursement period date of October 30. (revised July 21, 2020)

**NOTE: Expenses incurred prior to September 1 cannot be submitted in the added reimbursement request in October. They will be disallowed. The sole exception is for expenses submitted for FEMA reimbursement for which a denial by FEMA is received prior to October 30.**

No more than one payment request will be processed during each of the ~~three~~ **four** reimbursement dates. Thus, there will be a maximum of ~~three~~ **four** payment requests allowed: June 1, July 15, September 15, and **October 30**. The July 15, September 15, and **October 30** reimbursement requests will only be accepted in the two weeks preceding the reimbursement request deadline. Requests received outside of this window will not be processed. Only one reimbursement request may be submitted for each reimbursement date. If a governmental entity fails to include an allowable cost in a prior payment request, you may include that cost within a subsequent payment request, **except for the added reimbursement request in October. No expenses incurred prior to September 1 can be submitted after September 15. The sole exception is for expenses submitted for FEMA reimbursement for which a denial by FEMA is received prior to October 30.**

GOFERR will make every effort to issue all checks within 30 days after receipt of the request.

- **Will COVID-19 expenses that occur after August 31-October 15, 2020 be reimbursed?** By ~~September 15~~ **October 30, 2020**, 2020, on a report created by GOFERR, local

governments will be required to estimate the additional COVID-19-related expenses they will incur through December 30. Municipalities will also include any COVID-19-related expenses that are, or may, be eligible for reimbursement from any other available federal or other public funding source for COVID-19 relief, including, but not limited to, FEMA, for which they have not yet received reimbursement. GOFERR will use this information in considering whether further relief might be needed after ~~August 31~~ **October 15, 2020**.

- **What happens if our eligible COVID-19 expenses are not as much as our allocated amount, or if our expenses exceed our allocated amount?** Any amount allocated to a municipality that exceeds its eligible expenses from March 1 to ~~August 31~~ **October 15, 2020** submitted for reimbursement, will, after ~~August 31~~ **October 30, 2020**, lapse back to the state for other disbursement. Municipalities will only be reimbursed up to their allocated amount of the MRF. If a municipality's expenses exceed the amount allocated, that amount can be reported in the estimate of additional COVID-19-related expenses they will incur through December 30, 2020.

### Grant Agreement Questions:

- **What documents need to be filed in order to receive reimbursement from the MRF?** Municipalities must complete and submit the [GOFERR Grant Agreement](#) and the GOFERR Reimbursement Request Form, both of which are available on the GOFERR [Municipal & County Payment](#) webpage. The Grant Agreement may be emailed to [municipalities@goferr.nh.gov](mailto:municipalities@goferr.nh.gov) as soon as possible or submitted with the initial Reimbursement Request Form by **June 1, 2020**. The Reimbursement Request Form is an excel spreadsheet with two tabs - one for the reimbursement request and one for the required documents supporting the requested reimbursement.
- **Page 1 of the Grant Agreement asks for a “State Vendor Number” and “Completion Date”. What should be entered?** The State Vendor Number is the municipality's NH First Vendor Number which may be obtained from the NH Department of Administrative Services [Vendor Resource Center](#). The completion date is ~~August 31~~ **October 30, 2020**. See [Subgrantee Notice SN-02](#), issued July 21, 2020, Paragraph 1.7.
- **In section 1.11B of the Grant Agreement, does the “Designated Signing Authority” have to actually sign the agreement?** Yes, the designated signing authority should both sign and print their name on the agreement.
- **The GOFERR Grant Agreement Exhibit J requires a DUNS number. What is this and where do I get that number?** A Data Universal Number System (DUNS) number is a unique nine-character number used to identify your organization. The federal government uses the DUNS number to track how federal money is allocated. Municipalities that have received federal grants in the past may already have a DUNS number. To obtain a DUNS number, go to the [Applicant Registration](#) page on Grants.Gov.

- **The GOFERR Grant Agreement Exhibit A, #6 also requires registration in SAM. What is SAM and how do I register?** The System for Award Management (SAM) is an official website of the U.S. government. You must have an active registration in SAM to do business with the Federal Government. To register in SAM, at a minimum, you will need the DUNS number described above, your taxpayer identification number, and bank account information. To register, go to the homepage on the [SAM](#) website.
- **How do municipalities accept the MRF money?** This money may be accepted in accordance with the [NHMA Guidance on Acceptance and Expenditure of CARES Act Assistance by Local Governments](#), posted on the [NHMA COVID-19 Resources](#) page. Additionally, the Grant Agreement asks that municipalities attach evidence that they have complied with RSA 31:95-b or RSA 21-P:43 concerning acceptance of unanticipated revenue. For acceptance under RSA 31:95-b or RSA 21-P:43, the minutes of the public meeting or hearing would be sufficient. If acceptance under RSA 21-P:43 is by the “executive officer”, such as the city manager, then a signed document indicating acceptance of the funds by the executive officer should be sufficient.

### **Eligible Expense Questions:**

- **In general, what type of expenses are eligible for reimbursement under the MRF?** The MRF is intended to reimburse municipalities for COVID-19-related expenses that are *not* covered by Federal Emergency Management Agency (FEMA) reimbursements or covered by other federal programs. Eligible reimbursements include, but are not limited to:
  - Increased welfare costs for food, shelter, and utilities;
  - Interest on Tax Anticipation Notes (TANs) or other short-term borrowing due to higher than usual property tax delinquencies;
  - New telework costs for remote municipal operations such as computers, software, and networking costs;
  - Increased election costs (if not covered by other federal funding);
  - Wages and benefits required by the Families First Coronavirus Response Act for non-First Responders;
  - Childcare costs for First Responders and essential employees due to school closures;
  - Increased unemployment costs for municipalities that self-fund and are not otherwise covered.
  - Legal fees associated with new federal requirements and State of Emergency orders;
  - Municipal building modifications including more frequent cleaning/disinfecting and installations necessary for social distancing and public safety;
  - Facility signage such as park/beach closures;
  - Credit card fees where the municipality waives the fees paid by cardholders since “in-person” payments are not an option.
  - 25% match on FEMA eligible costs. (revised May 28, 2020)

- Administrative leave costs to a greater extent than was expected allocated to an employee who could not telework, due to closure or COVID-19 in the workplace. (revised July 8, 2020).
  - “As a matter of administrative convenience,” the entire payroll costs of certain employees (public safety, public health, health care, and human services) whose time is substantially dedicated to mitigating or responding to the COVID-19 health emergency is eligible, provided costs are incurred for purposes of this grant by October 15, 2020. (See Treasury FAQs updated 7/8/20)
  - All eligible expenses must be related to COVID-19
- **In general, what type of expenses are not eligible for reimbursement under the MRF?**  
The MRF cannot be used for:
    - Costs accounted for in the budget most recently approved as of March 27, 2020;
    - Compensating for revenue shortfalls;
    - The 75% of FEMA-eligible expenses;
    - ⊖ (revised May 28, 2020)
    - Expenses covered by other federal programs such as community development block grants;
    - Workforce bonuses other than hazard pay or overtime;
    - Across the board hazard pay to all employees that are working during the state of emergency; (See Treasury FAQs updated 7/8/20);
    - A public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner (See Treasury FAQs updated 7/8/20);
    - Capital improvement projects that are not necessary expenditures incurred due to the COVID-19 public health emergency (See Treasury FAQs updated 7/8/20);
    - Prepayments on contracts to the extent that doing so would not be consistent with ordinary course policies and procedures (See Treasury FAQs updated 7/8/20);
    - Assistance to property owners to pay property taxes;
    - Severance pay or legal settlements.
  - **What does “costs accounted for in the budget most recently approved as of March 27, 2020” mean?** The [US Treasury Guidance](#) explains that the CARES Act requires payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.
 

For example, if municipal welfare costs are budgeted for \$1,000 per month, and suddenly increase to \$2,500 in May due to COVID-19-related increases in unemployment or furloughs, then the increase of \$1,500 would be eligible for reimbursement from the MRF. If a municipality budgeted \$5,000 for interest on a Tax Anticipation Note (TAN) expected to be outstanding for 6 weeks from mid-May to early July, but incurs interest costs of \$15,000 since

the TAN is outstanding through ~~August 31~~ **October 15**, the additional \$10,000 of interest expense would be reimbursable by the MRF.

- **When is a cost “incurred” ?**

A cost is “incurred” when funds have been expended to cover the cost. [US Treasury Guidance \(updated June 30, 2020\)](#), page 2, contains new information clarifying that in some limited circumstances, **payment need not be made** within the CARES Act period March 1 to December 30, based on certain circumstances, which are detailed in the Guidance, such as: 1) the performance or delivery must occur in the grant period, with some exceptions; 2) lease payments are considered incurred for the period of the lease that is within the grant period; 3) goods delivered within the grant period need not be used within the grant period in all cases; 4) goods purchased in bulk within the grant period which will be used during the grant period and subsequent periods, provided the purchasing practice is consistent with usual procurement policies/practices; 5) goods purchased for subsequent period is necessary due to public health emergency; or 6) contracted goods and services which may be on back-order or receipt of which is delayed due to factors beyond the municipality’s control. Specific questions should be addressed to [municipalities@goferr.nh.gov](mailto:municipalities@goferr.nh.gov). However, because this program was designed with a shorter time period than the cut-off date of December 30 contained in the CARES Act, costs must still be incurred for purposes of this program prior to October 15. GOFERR will use the principles described above in the Treasury Guidance to determine if a payment made after October 15, but before the final October 30 reimbursement request deadline was “incurred” prior to October 15 for purposes of reimbursement.

- **Is there a “match” requirement (like FEMA’s 25% local match) or will the MRF pay 100% of eligible costs?** The MRF will reimburse 100% of the costs for COVID-19-related expenses that are not reimbursable by other federal programs or grants.
- **Will the MRF reimburse municipalities for the local 25% match for FEMA eligible costs?** ~~No, the MRF will not reimburse municipalities for the 25% match required on FEMA funding. However, we understand that there is a request for 100% reimbursement of FEMA eligible costs (i.e. no 25% local match required on FEMA eligible costs). As far as we know that request has not been approved at the federal level.~~

Yes, on May 19, 2020 the President clarified that the Coronavirus Relief Fund provided under the CARES Act may be used to pay for FEMA’s 25% local cost share requirements. GOFERR amended the Municipal Relief Fund [Program Overview and Guidance](#) to reflect the 25% FEMA match as an allowable expenditure for reimbursement and also amended the [Reimbursement Request Form](#) to include the 25% FEMA match in the requested reimbursement. **Treasury confirmed this use in the most recent July 8, 2020 FAQs.**

For purposes of facilitating payment requests, GOFERR will presume the following four categories of expenses to be 75% FEMA reimbursable.

1. Personal Protective Equipment related to COVID-19
2. Police/Fire/Emergency Medical Overtime Costs

3. Temporary Medical Facilities and/or Enhanced Medical/Hospital Capacity
4. Disinfection of Public Facilities

For these four categories, GOFERR will reimburse the 25% of costs that are not eligible for reimbursement from FEMA. If FEMA denies a reimbursement request for an expense, then GOFERR will reimburse.

- **The minimum level for FEMA reimbursement is \$3,300. If my municipality does not meet this minimum FEMA threshold, will those otherwise FEMA eligible costs be reimbursed from the MRF?** Yes, if your costs do not meet the minimum FEMA eligibility level of \$3,300, those costs may be reimbursed by the MRF, up to your allocated amount.
- **If an expense is rejected by FEMA, can we subsequently submit it for reimbursement from the MRF even if the expense is outside the time period for which we are requesting reimbursement? For example, can an April expense rejected by FEMA be submitted in our September 15<sup>th</sup> October 30<sup>th</sup> MRF Reimbursement Request?** Yes, as long as the denial was received by August 31<sup>st</sup> October 30<sup>th</sup>. If FEMA denies a reimbursement request after the September 15 October 30<sup>th</sup> payment date, then GOFERR will be unable to reimburse the allowable costs from this allocation. **The FEMA denial must be included with the reimbursement request.**
- **What if we receive reimbursement from the MRF for an expense we later determine is eligible for reimbursement from FEMA or a grant through another federal program?** The reimbursement requests will be reviewed before being authorized so claiming items that are known to be reimbursable from FEMA or another program may result in disallowance until the alternate funding source is sought. If the municipality in good faith determined that an item was not allowable under the alternate funding source and obtained reimbursement from MRF, the municipality cannot also seek reimbursement from the alternate source but will not have to pay back the MRF.
- **Will the MRF reimburse municipalities for the payroll taxes associated with payment of the First Responder Stipend?** Yes, municipalities can choose to use the MRF for employer paid payroll taxes associated with the First Responder Stipends.
- **Since the First Responder Stipend will be included in the overtime rate calculation, will the increase in overtime costs due to this stipend be eligible for reimbursement from the MRF?** Yes, municipalities may request reimbursement from the MRF to offset the difference in overtime costs due to the First Responder Stipend being included in the overtime rate calculation.
- **Can a municipality's allocation from the MRF be used to provide hazardous duty pay for non-First Responders who interact with the public and have increased COVID-19 exposure similar to First Responders, such as Public Works employees and Tax Collector's office staff? ".** The [US Treasury FAQ](#) states that hazard pay means additional

pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19. If there are public employees that are being required to work and whose work increases their risk of exposure to COVID-19 because it requires close interaction with the public, there may be a reasonable argument that they are performing “hazardous duty... related to COVID-19” and therefore a hazard payment could be an allowable expense, even if they are not “substantially dedicated to mitigating or responding to COVID-19”. However, across the board hazard pay simply for being a municipal employee and working during the state of emergency would not be allowable.

- **In response to the public health emergency associated with COVID-19, we discontinued recycling and are now experiencing an increase in hauling costs at our transfer station. Are these increased hauling costs eligible for MRF reimbursement?** Yes, the increase in hauling costs are an eligible expense under the MRF to the extent that those costs are:
  - directly related to local government action in response to the public health emergency associated with COVID-19,
  - not accounted for in the budget most recently approved as of March 27, 2020, and
  - were costs incurred during the period that began March 1, 2020.
- **Regarding childcare costs for First Responders and essential employees due to school closure - who is deemed an “essential” employee? Is it all municipal employees because we are exempt from the Executive Order to stay at home? No, not all municipal employees are “essential” just because government is exempt from the stay at home order. To be reimbursed from the MRF, the need for childcare would have to be traceable to COVID-19.**
- **Would eligible childcare costs have to be paid by the municipality before requesting reimbursement from the MRF?** Yes, the municipality will need to incur the eligible childcare cost prior to seeking reimbursement from the MRF.
- **Are the reimbursements only for daycare arrangements that had to be made on or after March 1 in response to the State of Emergency, or does it also include existing daycare arrangements that were in place before?** The MRF would not cover pre-existing day care costs that have not changed due to the State of Emergency. If the cost has increased due to the State of Emergency, the MRF can reimburse the difference between the “normal” childcare rate and the State of Emergency rate. The MRF will only cover costs incurred after March 1.
- **Unanticipated interest costs on Tax Anticipation Notes (TAN) is a reimbursable expense from the MRF through August 31 October 15. However, TAN interest may occur after August 31 October 15, possibly even after the December property tax bills are issued. Will TAN interest costs incurred after August 31 October 15 be reimbursed?** As explained in a previous answer, in September October, local governments will be required to estimate the additional COVID-19-related expenses they will incur through December 30.

GOFERR will use this information in considering whether further relief might be needed after August 31. **TAN costs incurred after October 15, 2020 will not be eligible for reimbursement.**

- **May MRF payments be used to assist impacted property owners with the payment of their property taxes?** MRF payments may not be used for revenue replacement, including property tax revenue shortfalls.
- The [Governor's Program Overview and Guidance](#) describes an allowable cost as "economic support for losses due to business interruptions". What does this mean? According to the [US Treasury FAQ](#), a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency constitutes an allowable expense. Pursuant to this guidance, the GOFERR Legislative Advisory Board and Stakeholder Advisory Board are charged with recommending to the Governor how the remainder of the \$1.25 billion in Coronavirus Relief Funds should be used to assist businesses, non-profit organizations, healthcare facilities, educational institutions, individuals with unemployment relief and other sectors of the economy. Information about the work of these Boards is available on the [GOFERR website](#).
- Additional questions and answers are available in the [US Treasury Coronavirus Relief Fund Frequently Asked Questions](#).