

Frequently Asked Questions (FAQs)

Coronavirus Relief Local Government Grant (CLRGG) Program 2020 Public Act 144 Updated October 21, 2020

1. General

Q1.1. Which local units received payment under the Coronavirus Relief Local Government Grants (CRLGG) Program?

A1.1. Cities, villages, townships, and counties that would have received an August 2020 payment under one of the below programs qualified to receive funding under the CRLGG program:

- City, Village, and Township Revenue Sharing (CVTRS)
- County Revenue Sharing (CRS)
- County Incentive Program (CIP)

These local units will be referred to as “eligible recipients” in the rest of this document.

The list of recipients and the associated funding amounts can be found on the Treasury CRLGG website at the following link:

https://www.michigan.gov/documents/treasury/FY_2020_CRLGG_Payments_to_CVTC_700372_7.pdf

Q1.2. How is the Coronavirus Relief Local Government Grants (CRLGG) Program funded?

A1.2. The CRLGG Program was created under 2020 Public Act 144 and is funded with Coronavirus Relief Funds (CRF) which were received by the State under the Coronavirus Aid, Relief, and Economic Security (CARES Act), Public Law 116-136. The program is funded with federal funds.

Recipients of the CRLGG funding must expend the funding received on CARES Act eligible expenditures.

Q1.3. According to the State Supreme Court, the "Governor lacked the authority to declare a State of Emergency". Therefore, are the local units in jeopardy of needing to return CRLGG funding?

A1.3. No. The CRLGG Program was created in 2020 Public Act 144 which was passed by the State legislature and signed by the Governor.

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Q1.4. What does an eligible recipient need to do to comply with the Coronavirus Relief Local Government Grants (CRLGG) Program?

A1.4. An eligible recipient must do the following to comply with the CRLGG Program requirements:

1. Register with the [Federal System for Award Management \(SAM\)](#) prior to submitting the [CRLGG Grant Opening Certification](#) to the Michigan Department of Treasury (Treasury).
2. Submit the [CRLGG Grant Opening Certification](#), signed by the chief administrative officer, of the local unit to Treasury.
3. Comply with all reporting requirements.
 - a. Submit the *Quarterly Financial Status Reports* for the following periods (using the OnCue platform):
 - i. March 1, 2020 – September 30, 2020
 - Due by October 28, 2020
 - ii. October 1, 2020 – December 30, 2020
 - Due by December 31, 2020
 - b. Submit the *Amended Reporting* (if applicable) (using the OnCue platform)
 - i. March 1, 2020 – December 30, 2020
 - Due by January 19, 2021
4. Submit the [CRLGG Grant Closing Certification](#) to Treasury
 - Due by January 19, 2021

Q1.5. Reference is made in the CRLGG & CRF Grant Requirements Packet about federal guidance evolving and that eligible applicants are required to comply with the changing guidance. How will an eligible applicant know when the federal guidance changes?

A1.5. Eligible applicants should keep abreast of the ever-changing CARES Act Federal Guidance. Links are provided both in the CRLGG & CRF Grant Requirements Packet and Treasury's website for eligible local units to use.

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2. Accounting and Federal Reporting Compliance

Q2.1. What account should an eligible applicant deposit the Coronavirus Relief Local Government Grants (CRLGG) Program payment?

A2.1. Local units must use account 528 – *Other Federal Grants* for recording the revenues associated with the CRLGG.

Q2.2. Will the funding received under the Coronavirus Relief Local Government Grants (CRLGG) Program be considered a federal grant to the eligible local unit for the purpose of single audit?

A2.2. Yes.

Q2.3. Should the eligible local unit setup a separate fund to account for other CARES Act and federal COVID-19 financial assistance?

A2.3. A separate fund is not required. Guidance is available on the Treasury website and can be accessed at the following link.

https://www.michigan.gov/documents/treasury/Numbered_Letter_2020-4_State_Reimbursements_for_Hazard_Pay_and_Public_Safety_699221_7.pdf.

Q2.4. What do the words “prime recipient” mean on page 6, in the section on CRF Record Retention Requirements, of the CRLGG & CRF Grant Requirements Packet?

A2.4. The prime recipient means the recipient receiving the funds directly from the Federal Funding Provider, which in this case is the State of Michigan.

Q2.5. What fiscal year should an eligible applicant record a Coronavirus Relief Local Government Grants (CRLGG) Program payment if an eligible applicant incurs an expense in one fiscal year and receives the reimbursement in the next fiscal year?

A2.5. Guidance is available on the Treasury website and can be accessed at the following link:

https://www.michigan.gov/documents/treasury/Numbered_Letter_2020-4_State_Reimbursements_for_Hazard_Pay_and_Public_Safety_699221_7.pdf.

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3. General Reporting Requirements

Q3.1. What are the Coronavirus Relief Local Government Grants (CRLGG) Program reporting requirements for local units?

A3.1. Local units that receive CRLGG funding must complete the following reporting requirements by the specified deadlines:

1. Register with the [Federal System for Award Management \(SAM\)](#) prior to submitting the [CRLGG Grant Opening Certification](#) to the Michigan Department of Treasury (Treasury).
2. Submit the [CRLGG Grant Opening Certification](#), signed by the chief administrative officer of the local unit, to Treasury.
3. *Quarterly Financial Status Reports* for the following reporting periods:
 - a. March 1, 2020 – September 30, 2020
 - i. Due by October 28, 2020
 - b. October 1, 2020 – December 30, 2020
 - ii. Due by December 31, 2020
5. *Amended Reporting* (if applicable)
 - a. March 1, 2020 – December 30, 2020
 - i. Due January 19, 2021
6. [CRLGG Grant Closing Certification](#)
 - a. Due by January 19, 2021

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4. Grant Opening Certification

Q4.1. What is the purpose of the Coronavirus Relief Local Government Grants (CRLGG) Grant Opening Certification?

A4.1 By signing and submitting the [CRLGG Grant Opening Certification](#), the local unit is certifying that they have read the CRLGG & CRF Grant Requirements document and the related federal guidance and that the local unit will be complying with all grant requirements.

Q4.2. When does an eligible recipient need to submit the CRLGG Grant Opening Certification to the Michigan Department of Treasury (Treasury)?

A4.2. The [CRLGG Grant Opening Certification](#) must be submitted to Treasury by September 23, 2020.

If an eligible recipient missed the deadline, please submit the [CRLGG Grant Opening Certification](#) as soon as possible to avoid unnecessary phone calls from Treasury.

Q4.3. What if an eligible applicant does not register with the Federal System for Award Management (SAM)?

A4.3. If an eligible applicant does not register with the SAM system, then the eligible applicant does not qualify as a subrecipient under the Federal grant award and therefore would not be eligible for a payment under the Coronavirus Relief Local Government Grants (CRLGG) Program.

Q4.4. Are electronic and digital signatures allowed?

A4.4. Yes, both the chief administrative officer and the notary can submit an electronic signature.

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Q4.5. What is required for the notary section to be considered in compliance?

A4.5. The notary section must include the following:

- a. Printed Name of the Notary
- b. Date Notarized
- c. County of Appointment (if notarizing in a county outside of the appointed county, need to write "Acting in the County of.....")
- d. Expiration Date of Commission
- e. Signature of the Notary

Q4.6. Who can sign the CRLGG Grant Opening Certification for submission to the Michigan Department of Treasury (Treasury)?

A4.6. The [CRLGG Grant Opening Certification](#) submitted to Treasury should be completed by the Chief Administrative (Executive) officer. In many cases, the Chief Administrative Officer will be the person defined in MCL 141.422b (3) but could be any other individual that the local unit has designated.

As defined in MCL 141.422b (3), the Chief Administrative Officer means any of the following:

- (a) The manager of a village or, if a village does not employ a manager, the president of the village.
- (b) The city manager of a city or, if a city does not employ a city manager, the mayor of the city.
- (c) The manager of a township or, if the township does not employ a manager, the supervisor of the township.
- (d) The elected county executive or appointed county manager of a county; or if the county has not adopted an optional unified form of county government, the controller of the county appointed pursuant to section 13b of 1851 PA 156, MCL 46.13b; or if the county has not appointed a controller, an individual designated by the county board of commissioners of the county.
- (e) The official granted general administrative control of an authority or organization of government established by law that may expend funds of the authority or organization.

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Q4.7. Does the Michigan Department of Treasury (Treasury) require a local unit to have the governing board take action related to the CRLGG Grant Opening Certification submission prior to submitting to Treasury?

A4.7. No, the governing board only needs to be notified of the submission of the [CRLGG Grant Opening Certification](#) and made aware of the Federal statutes, regulations and terms and conditions of the grant award.

Q4.8. The local unit has submitted the CRLGG Grant Opening Certification, can the local unit modify the submission?

A4.8. A local unit can change the metrics submitted at any time.

5. Quarterly Financial Status Reports and Amended Reporting

Q5.1. Is there a template to use for the *Quarterly Financial Status Reports* and the *Amended Reporting*, if so, where can the templates be found?

A5.1. No. The Quarterly Financial Status Reports and the Amended Reporting will be done by local units through the Michigan Coronavirus Relief Fund (CRF) Reporting platform (OnCue).

Q5.2. Who needs to report on the OnCue application and does this include reporting for all the Cares Act grant programs?

A5.2. Only local units that received funds under the CRLGG program must report Quarterly Financial Status Reports on the OnCue platform. The only units that received funds under this program are local units of government that would have normally received an August 2020 City, Village, and Township Revenue Sharing (CVTRS), County Revenue Sharing (CRS), or County Incentive Program (CIP) payment.

Local units do not need to report on the OnCue platform any funds received under the First Responder Hazard Pay Premiums Program (FRHPPP), the Public Safety and Public Health Payroll Reimbursement (PSPHPR) program, or if you received Cares Act dollars from Kent, Oakland or Macomb Counties or the City of Detroit.

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Q5.3. Is the Reporting period through 12/30 or 12/31?

A5.3. Per federal guidance, the reporting period covers the period beginning on March 1, 2020 and ending on December 30, 2020. This means that local units must expend all funds by December 30, 2020.

Q5.4. Who will be sent the OnCue registration e-mail, when will it be sent for the OnCue platform?

A5.4. E-mails were sent on October 19, 2020, to the contact email included on the CRLGG Grant Opening Certification submitted to Treasury. If a local unit has not yet submitted a CRLGG Grant Opening Certification, the e-mail was sent to the contact person on file for one of the following programs: the First Responder Hazard Pay Premiums Program (FRHPPP), the Public Safety and Public Health Payroll Reimbursement (PSPHPR) Program, the City, Village, and Township Revenue Sharing (CVTRS) Program or the County Incentive Program (CIP).

If a local unit did not receive an e-mail with the link to OnCue, please contact 517-335-0155 or email Treas-CARES-Reporting@michigan.gov.

Q5.5. If in the first quarter, a local unit spends all the CRLGG funds received, does the local unit need to submit any future quarterly reports?

A5.5. No.

Q5.6. Does a local unit need to keep and submit back up documentation to the State?

A5.6. For audit purposes local units will need to retain all expenditure backup documentation such as invoices, canceled checks, and system reports. Please be aware of single audit requirements. If a local unit receives more than \$750,000 of federal funds, they fall under the single audit requirements.

At this time, local units are not required to upload or submit any detailed or supporting documentation into the OnCue platform.

Q5.7. If a local unit did not spend any of the CRLGG funds received by September 30, 2020, does the local unit need to submit a Quarterly Financial Status report by October 28, 2020?

A5.7. Yes

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Q5.8. If a local unit received an item on or before 9/30/20, but the bill/invoice is dated 10/7/20. Should we report in the 9/30 or 12/30 quarterly reporting period?

A 5.8. The reporting of expenditures is based on when the product or service is received. Therefore, if a product/service is received on or before 9/30 the expenditure would be reported on the first Quarterly Financial Status Report due by October 28, 2020.

Q5.9. Can a local unit use the remainder of the public safety wages that were not reimbursed through the Public Safety and Public Health Payroll Reimbursement (PSPHPR) Program grant? The local unit only received about half of what was requested under the PSPHPR Program. Can the remainder of the funds be used as a CLRGG expenditure?

A5.9. Yes.

Q5.95. It appears there are two actual reporting periods. One from March 1 to September 30 and one from October 1 to December 30; one "quarter" is actually 7 months and the second is a true quarter. Is that correct?

A 5.95. Yes

6. CARES Act Coronavirus Relief Fund (CRF) Funding Questions and Eligible Expenses

Q6.1. What are the allowable uses of the Coronavirus Relief Fund (CRF)?

A6.1. The CARES Act requires that the payments from the CRF only be used to cover expenses that:

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020

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Q6.2. Can payroll expenses, which are already budgeted in the most recently approved budget as of March 27, 2020, be funded by Coronavirus Relief Fund (CRF) funds?

A6.2. Yes, CRF money can be used for payroll expenses for public safety and public health, whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Further, personnel that were diverted to a substantially different function, due entirely to the COVID-19 public health emergency, to mitigate or respond to COVID-19 are allowable expenses.

Q6.3. What constitutes "substantially dedicated" for payroll expenses that can be funded with Coronavirus Relief Fund (CRF) funds?

A6.3. The State of Michigan, in its own use of the CRF funding, is utilizing the public safety presumption that all payroll expenses are presumed to be related to mitigating the COVID-19 pandemic. However, it is up to a jurisdiction to define its own thresholds of substantial dedication and to maintain clear documentation of the justification for that decision.

Q6.4. What amount of payroll expenses, which are already budgeted, can be funded by Coronavirus Relief Fund (CRF) funds?

A6.4. Payroll expenses for public safety and public health whose services are *substantially dedicated* to mitigating or responding to the COVID-19 public health emergency are allowable expenditures. Personnel that fall into these areas are presumed for administrative convenience to be substantially dedicated unless the eligible applicant's chief executive determines that specific circumstances indicate otherwise.

In addition, personnel that were diverted to a substantially different function due entirely to the COVID-19 public health emergency and are supporting the response to COVID-19 are allowable. This could mean the repurpose of positions (who would have been furloughed or laid off (in other words were underutilized due to COVID)) to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

Future federal guidance may clarify these requirements.

Ultimately it is up to each eligible applicant to define its own threshold of "substantial dedication" and to maintain clear documentation of the justification for that decision and the use of the CRF for employee payroll.

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Q6.5. What is the difference between expenditures incurred and expenditures paid?

A6.5. For a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time, though it is generally expected that this will take place within 90 days of a cost being incurred.

For example, salary earned for work completed from May 17 to May 30 and was paid on June 5 would count as May payroll expenses.

Q6.6. Can the State tell local units what is eligible for CARES Act expenditures using the CLRGG funds?

A6.6. The CLRGG funding needs to comply with the Coronavirus Relief Fund (CRF) requirements as defined in the CARES Act. The state cannot fully advise on compliance with the federal requirements. Each unit of government needs to decide on these thresholds and is responsible for meeting audit requirements, especially should federal guidance change.

Ultimately, all decisions on eligible expenditures should be determined by the unit of government receiving the CARES Act funds, as you are liable for the results of the audit and any funding that may need to be returned. The US Treasury CRF guidance includes a number of eligible uses on pages three and four of the below PDF, which should be helpful in determining eligible expenditures under the CARES Act. The PDF contains a nonexclusive list and the guidance allows that more items may qualify under the Act. The FAQ below also has many helpful insights.

US Treasury CRF Guidance:

<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>

US Treasury FAQ:

<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>

US Treasury Office of Inspector General FAQ.

<https://www.treasury.gov/about/organizational-structure/ig/Audit%20Reports%20and%20Testimonies/OIG-CA-20-028.pdf>