

Indiana Finance Authority
Indiana Coronavirus Relief Fund for Local Participants
Frequently Asked Questions
Updated as of September 25, 2020

A. Eligible Expenditures

1. Recently updated eligible expenditures

a. Payroll expenses

Public safety and public health payroll expenses

Pursuant to updated US Treasury Guidance dated September 2nd, 2020 and US Treasury OIG Revised Frequently Asked Questions dated September 21st, 2020; for administrative convenience, a government can presume that all payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency and, thus, can be covered by the CRF.

In response to questions regarding which employees are within the scope of this accommodation, public safety employees would include police officers, sheriffs and deputy sheriffs, firefighters, emergency medical responders, correctional and detention officers, and those who directly support such employees such as dispatchers and supervisory personnel. Public health employees would include employees involved in providing medical and other health services to patients and supervisory personnel, as well as employees of public health departments directly engaged in matters related to public health and related supervisory personnel. Administrative positions, such as accounting or business operations, are not permissible.

The first reimbursement request should be for payroll costs incurred beginning March 1, 2020 through September 30, 2020. Additional reimbursement requests may be submitted monthly if allocated funds are available. These reimbursement requests should contain payroll, time, and or human resource records to support the submitted costs incurred for payroll expenses. In addition, your submitted records should clearly demonstrate that the public safety and public health positions submitted for reimbursement are limited to the positions listed in the above paragraph. Finally, a Local Participant must maintain general and subsidiary ledgers used to account for the receipt of CRF payment(s) and subsequent disbursements, along with budgetary records to support fiscal years 2019 and 2020.

The IFA highly encourages Local Participants to maximize reimbursement for public safety and public health eligible expenses over other designated expense categories. Please note that the IFA will make reimbursement requests for public safety and public health payroll expenses a priority for review over all other designated expense categories submitted.

Hazard pay

Hazard pay, meaning additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19, would be an eligible expenditure. However, across-the-board for employees working during the state emergency or workforce bonuses would not be considered eligible. For supporting documentation, the IFA will require (1) payroll, time, and or human resource records to support the costs incurred for payroll expenses, and (2) a detailed description of duties

performed and how these services were substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

Unemployment compensation claims

Unemployment compensation claims incurred due to the COVID-19 public health emergency would be eligible if submitted under the following procedures:

1. Request the Local Participant bundle by the following:
 - a. March, April, May & June
 - b. July, August & Sept
 - c. Oct, Nov & Dec

 2. Documentation Required
 - a. DWD Invoice
 - b. Highlight on invoice each employee terminated because of COVID
 - c. Total the amount paid to DWD on behalf of the employees terminated due to COVID
 - d. Include proof of payment to DWD (needs to equal or exceed “c” above)
 - e. IFA will only reimburse 50% of “c” above
 - f. Submitted under Category #6
- b. Paid sick and paid family and medical leave to public employees*

Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions would be considered an eligible expenditure. Please note that pursuant to US Treasury Guidance, these types expenditures must be submitted under Category #4, rather Category #3, in order to be approved for reimbursement.

c. Remarketing of convention centers and tourism industry

Yes, costs to remarket the Local Participant’s convention facilities and tourism industry that satisfy the requirements of the CARES Act would be eligible expenditures. Expenses incurred to publicize the resumption of activities and steps taken to ensure a safe experience may be needed due to the public health emergency. Expenses related to developing a long-term plan to reposition a recipient’s convention and tourism industry and infrastructure would not be incurred due to the public health emergency and therefore may not be covered using payments from the Fund.

d. Tax anticipation notes (TANs)

If a government determines that the issuance of TANs is necessary due to the COVID-19 public health emergency, the government may expend payments from the Fund on the interest expense payable on TANs by the borrower and unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.

e. Administrative expenses

Administrative expenses (e.g. legal, financial, and consulting services) incurred due to the COVID-19 public health emergency and represent an increase over previously budgeted amounts, including administrative duties related to the adherence to CARES Act rules and regulations, would be considered eligible expenditures. Please note that these expenditures will need to be submitted under Category #6.

2. What are eligible expenditures that can be reimbursed from the CRF?

The IFA may only reimburse expenditures used to cover costs that (i) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Diseases 2019 (COVID-19); (ii) 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 County, City, or Town; (iii) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020; and (iv) the expenditure is allowed under the guidance issued by the U.S. Treasury as modified by the State of Indiana.

3. May Local Participants be reimbursed for lost revenue?

NO. Pursuant to US Treasury Guidance, revenue replacement is not a permissible use of CRF payments.

4. Are Local Participants required to spend down their entire approved budget before they can submit reimbursement requests?

NO. The IFA is focused on whether the *expense item(s)* were accounted for in the Local Participant approved budget as of March 27, 2020, not the *budgeted amount*. For example, a Local Participant may have appropriated funds to purchase a law enforcement vehicle for \$25,000, but due to the COVID-19 public health emergency this amount was reallocated to acquire medical personal protective equipment and sanitizing products. Since the acquisition of medical personal protective equipment and sanitizing products were not an accounted for expense item(s) in the budget line-item, the Local Participant would be reimbursed for these acquisitions.

5. When is an eligible expenditure considered *incurred*?

Updated as of June 30th, 2020, the US Treasury Guidance clarified that 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, if a Local Participant leased a temporary medical facility to perform COVID-19 testing during the period December 1st to December 30th and the lease payment for this period was not due until January 15, 2021, the payment on January 15, 2021 would be considered an eligible expenditure and reimbursed by the IFA.

In addition, please note that a Local Participant will still need to demonstrate the need for this expenditure at the time of completion of the delivery or services. If the need for this expenditure has passed by the time of completion, then the expenditure would no longer be considered necessary thus not an eligible expenditure.

6. Can payments from the CRF be used for the FEMA Reimbursement 25% match requirement?

Yes, however, each local unit of government needs to ensure that federal funds are not used twice. If the Local Participant desires to use the CRF for the 25% match, we recommend they closely coordinate that request with their Indiana Department of Homeland Security contact and that any expenditure in which they wish to claim a 25% CRF reimbursement, should be handled as follows: The invoice(s) reflecting the entire amount of the expenditures should be submitted to the IFA, with the request that they desire only 25% to be reimbursed because the balance will be submitted to FEMA. Alternatively, they can go through the FEMA process and come back to the IFA to request the 25% after FEMA has approved the 75%.

Please note that the IFA can only reimburse for eligible expenditures under the CARES Act. The IFA cannot provide the match for eligible FEMA expenditures that are not permitted under the CARES Act.

7. Can non-budgeted expenditures related to elections be eligible for reimbursement from the CRF?

The Indiana Secretary of State's (SOS) office is administering a reimbursement program for elections-related expenditures incurred due to the COVID-19 public health emergency. The IFA advises to collaborate with SOS office in order to determine what may be reimbursed under their program.

8. Can subsidy payments made for housing, utility, and food assistance to individuals and families directly impacted due to the COVID-19 public health emergency?

NO. These payments are not permissible for Local Participants and would not be eligible for reimbursement.

Expenses related to food assistance would only be permissible for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.

9. Would expenditures to improve broadband capacity be eligible for reimbursement?

Expenditures to expand rural broadband capacity to assist with distance learning and telework would only be permissible if they are necessary for the public health emergency. The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.

10. What expenditures associated with the provision of economic support to small businesses in connection with the public health emergency would a Local Participant be permitted for reimbursement?

The US Treasury Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruptions caused by required closures under Section 601(d) of the Social Security Act, as outlined in the Guidance. The Local Participant has the discretion to determine what payments are necessary, and any program should be tailored to assist those businesses in need of such assistance.

If a Local Participant elects reimburse small businesses, the IFA will require the following documentation in order to approve:

- Legal Name of business that received payment
- Total amount received for each business
- Date of payment to business
- Description for what is being reimbursed for each business
- Copy of any documentation that was collected to substantiate the reimbursement meets eligibility requirements set forth in US Treasury Guidance
- Proof of payment from the Local Participant to the business

11. How can a Local Participant ensure their proposed expenditures would be considered eligible before making a purchase or submitting for reimbursement?

The IFA, through the COVID-19@ifa.in.gov email address, has been reviewing proposed expenditures and providing guidance on eligibility.

B. Participants

12. Who is eligible to submit reimbursement requests to the Coronavirus Relief Fund?

All Indiana Counties, Cities, and Towns (“Local Participant”) may be reimbursed from the State’s Coronavirus Relief Fund (“CRF”) managed by the IFA for incurred eligible expenditures (defined below). A Local Participant may find their allocation amount on the IFA website [here](#). Each Local Participant’s Chief Executive Officer will need to have the CRF Acceptance Certification signed and delivered to the IFA in order to submit reimbursement requests.

13. Do Cities and Towns need to submit their reimbursement requests to their respective Counties in order to receive reimbursement for their incurred eligible expenditures?

No. Every Indiana City and Town may submit reimbursement requests for their incurred eligible expenditures directly to the IFA.

14. Who is the Authorized Representative?

The Authorized Representative is the Chief Executive Officer of the Local Participant, authorized to make each reimbursement request. Below, here are persons who would be considered Chief Executive Officer:

- County – President of the County Commissioners
- City – Mayor
- Town – President of Town Council

This person may change if the authorizing board adopts a resolution authorizing an alternative official. If that occurs, please provide the IFA with this resolution and when future reimbursement requests are submitted and signed by the authorized representative, please note in the signature blank (pursuant to resolution xxx).

15. Can Townships and other units of County government be reimbursed for incurred eligible expenditures from the CRF?

Yes, but Townships and other units of County government will need to collaborate with their respective County Chief Executive Officer to determine how much of the County’s allocation will be made available to reimburse them for these expenditures. Please note that the County will submit the reimbursement request, from the County’s allocation, on behalf the Township or other unit of County government.

16. Can Public Libraries be reimbursed for incurred eligible expenditures from the CRF?

Yes, but Public Libraries will need to collaborate with a Local Participant to determine how much of Participant’s allocation will be made available to reimburse them for these expenditures. The IFA recommends that Public Libraries collaborate with their enabling body (e.g. the Local Participant that approves the Library’s budget) for reimbursement requests from the CRF. Please note that Local

Participant will submit the reimbursement request, from the Local Participant's allocation, on behalf of the Public Library.

17. Are Local Participants required to share their allocation with other governmental units within its borders?

Local Participants may submit reimbursement requests from their allocation on behalf of other governmental units within its borders that did not receive a direct allocation, but they are not required to do so.

18. Can small businesses or not-for-profits be reimbursed from the CRF?

Please see Question 10 above for more information.

19. How were the County, City, and Town allocations determined?

The Indiana Office of Management and Budget determined the allocation methodology for each County, City, and Town. This methodology was determined by population of the Local Participant as a percentage to the State's total population. Any additional questions or inquiries regarding the allocation methodology should be directed to the Indiana Office of Management and Budget.

C. Reimbursement Process

20. What do I need to do prior to submitting a reimbursement request form to the IFA?

The Chief Executive Officer will need to sign and deliver the CRF Acceptance Certification via Email and U.S. Mail in order for reimbursement requests to be processed. In addition, please make sure that you have read the [Directions for Requesting Reimbursements](#).

21. What "documentation" is needed to obtain a reimbursement?

Documentation should include at minimum:

- Receipts and invoices for the dollar amount that was paid that equals or exceeds the amount of the reimbursement request; and
- Description in the receipt or invoice that clearly shows an expenditure that falls within the 6 eligible categories on the attachment to the reimbursement request form

For reimbursement requests under Category #3 (unforeseen payroll expenses), please see Question 1(a) above for documentation requirements for payroll expenses.

For reimbursement requests under Category #5 (economic support), you will need invoices and receipts from the small business or not-for-profit included with your reimbursement request that follows the same procedures described above.

For reimbursement requests under Category #6 (other), specific details and invoice documentation will be required for approval. Please note that reimbursement requests submitted under category #6 will take longer for us to review.

22. Must expenses be paid to be considered eligible for reimbursement?

In order to alleviate cash flow issues when it comes to making purchases for large dollar expense items, a Local Participant may submit a Purchase Order for reimbursement, and then once the funds have been deposited use those funds to make the final payment within the eligible term. If this occurs, the Local Participant on the reimbursement request form will need to provide a statement for how non-paid expense items submitted for reimbursement will be paid and when. The IFA highly encourages Local Participants to maximize reimbursement for public safety and public health eligible expenses over other designated expense categories, please refer to Question 1(a).

23. How frequently should a Local Participant submit reimbursement requests?

This would be at the discretion of the Local Participant. Please note you are not required to submit one expense per reimbursement request form, and may compile as many expense items under one reimbursement request form as long as they are under the same designated expense category. For tracking and reporting purposes the IFA requests that a separate reimbursement request form be used for each designated expense category.

24. How will funds be disbursed?

By wire transfer or check, at the option of the Local Participant. Please note that the IFA cannot process ACH transfers.

25. How quickly will a reimbursement request be paid?

Please note that the IFA will make reimbursement requests for public safety and public health payroll expenses a priority for review over all other designated expense categories submitted. If this reimbursement request is filled out completely, and contains required supporting documentation, then payment should be received within 14 days of receipt for wire transfers. Please note that if payment via check is selected, the check will be cut and mailed out within 14 of receipt but may take additional days for delivery. Reimbursement requests submitted under Category #6 may take longer for us to review in order to determine the submission meets CARES Act qualifications and requirements.

26. How can a Local Participant assure prompt payment?

Read the [Directions for Requesting Reimbursement](#) and make sure the proper documentation is submitted.

D. Administration of Fund Payments

27. Why is the IFA administering this program, rather than another State Agency?

The IFA currently manages other programs that reimburse expenses incurred by many Indiana Cities and Towns related to the construction of new facilities associated with their water and wastewater utilities and therefore has the requisite systems and process knowledge in place to quickly implement this new State financial assistance program.

28. Are States required to make funds available to local units of governments?

No, each State is allowed to decide whether to make funds available to other units of government.

29. Where can a Participant obtain additional information about the proper accounting for the CARES Act funds it receives?

Participants can contact the State Board of Accounts or review the helpful information at the following web site <https://www.in.gov/sboa/>.

30. Where on the IFA's website can I find information and documents related to the State's Coronavirus Relief Fund?

On the left-side of the page, second tab from the top of the page labeled "Coronavirus Relief Fund".