

**Coronavirus Relief Funds  
Frequently Asked Questions**  
(Updated 9/13/21)

1. Are the eligible uses of funding limited to what is listed in Section 11.90?

The authorized uses are ultimately governed by the Coronavirus Relief Fund federal guidance and FAQs, and Section 11.90 is consistent with those uses. Although the 11.90 language specifically mentions homelessness, public health, and public safety, if the expenditure is not related to those categories but it is necessary to respond to and combat COVID-19, it would more than likely fall into the “other services” category of the Section 11.90 language.

2. Funds need to be used on costs incurred between March 1, 2020 and December 30, 2020. The certification form states counties/cities must return any funds that are unspent by October 30, 2020. Is the deadline October 30 or December 30?

The September (due September 4, 2020) reporting is a check-in to see if cities/counties are on track to spend their total allocation by 12/30/20. The general idea is that most or all cities/counties will use the CRF monies to reimburse themselves for qualifying expenditures made between March 2020 and now, as is allowed by federal law. Therefore, most or all of the total allocation is expected to be expended by 10/30/20. However, if the September reporting indicates that some cities/counties either (1) need more time to spend the money because they do not have sufficient incurred costs to cover, or (2) believe they will not be able to expend their entire allotment by the 12/30/20 federal deadline, then the Department of Finance can either (a) extend the expenditure deadline beyond 10/30/20 on a case-by-case basis, or (b) redirect funds that a city/county does not expect to expend by 12/30/20 to other localities that may have a shortfall. Funds will only be redirected if it is abundantly clear that the total allocation will not be expended by 12/30/20.

**UPDATE 9/13/2021:** Changes to federal law extended the expenditure deadline to December 31, 2021. Control Section 11.90 of the 2021 Budget Act requires that all CRF be spent by September 1, 2021 and specifies the October 2021 report be used to determine the level of unspent funds to be returned to the state. Due to this requirement, Cycle 6 will be the final reporting cycle for most entities.

3. Do the funds have to be expended by December 30? Can they be encumbered? Does the extension of the federal expenditure deadline change the state deadline?

Fund payments can be used to cover COVID-19 related costs incurred between March 1, 2020 and December 30, 2020. Per the federal guidance updated on 6/30, for a cost to be considered to have been incurred, performance or delivery must have occurred, but payment of funds may be made at a later date (though it is generally expected that this will take place within 90 days of a cost being incurred). Keep in mind, although payment doesn't have to occur before December 30, in all cases it must be necessary that performance or delivery take place during March 1

2020 and December 30, 2020. The cost of a good or service received during the period will not be considered eligible if there is no need for receipt until after December 30.

**UPDATE 9/13/2021:** Control Section 11.90 of the 2021 Budget Act requires that all CRF be spent by September 1, 2021. Any unspent funds, as reflected in the Cycle 6 report, which is due to the Department of Finance on October 6, 2021, must be returned to the state.

4. What are the reporting requirements? What type of documentation is needed for the reports?

The User Guide for reporting Coronavirus Relief Fund expenditures can be found here: [https://dof.ca.gov/budget/COVID-19/Coronavirus Relief Fund Portal/documents/DOF CRF Reporting User Manual.pdf](https://dof.ca.gov/budget/COVID-19/Coronavirus%20Relief%20Fund%20Portal/documents/DOF%20CRF%20Reporting%20User%20Manual.pdf)

**UPDATE:** The Department of Finance will be conducting monitoring of city and county recipients of the state's allocation of Coronavirus Relief Funds pursuant to the requirements outlined in Title 2, Code of Federal Regulations sections 200.330-200.332 and consistent with the state's monitoring plan. All city and county subrecipients will be required to submit electronically the documentation used to support the expenditures reported for the CRF pass-through funding issued by Finance. The documentation must include the specific records used to prepare the documents for the expenditures you reported, for example specific general ledger accounts, subsidiary ledgers or worksheets that aggregate reported expenditures. Copies of every purchase order, contract or invoice should **not** be submitted for initial monitoring.

5. When are reports due?

The following table reflects the state and federal reporting deadlines:

Reporting Cycle	Reporting Period	Recipients Report Due to Finance	State Report Due to US Treasury
Cycle 1	3/1-6/30/2020	9/4/2020	See Below
Cycle 2	7/1-9/30/2020	10/12/2020	See below
Cycle 1/2	3/1-9/30/2020	10/12/2020	12/15/2020*
Cycle 3	10/1-12/31/2020	1/6/2021	1/11/2021
Cycle 4	1/1-3/31/2021	4/6/2021	4/12/2021
Cycle 5	4/1-6/30/2021	7/6/2021	7/12/2021
Cycle 6	7/1-9/30/2021	10/6/2021	10/12/2021
*Combined reporting using recently approved upload process authorized by U.S. Treasury.			

6. When will funds be disbursed? What is the disbursement schedule?

The initial payment (1/6 of funding available) was made on July 31, 2020 and the August payment was made on August 24, 2020. Finance will submit the September payment schedule to State Controller's Office (SCO) on the 10th and payments will be processed within 10-14 days. Following the review of September expenditure information from local governments and consultation with the California Department of Public Health and CalOES, a final payment schedule will be submitted to the SCO for the remaining funds.

7. Can funding be used to provide financial assistance such as rental assistance and payment for utility fees?

Yes, the funding can be used for rental assistance and payment of utility fees as long as it is necessary due to COVID-19. To deem the payments as necessary, we recommend getting some sort of documentation of inability to pay, such as an unemployment letter or indication of job loss that shows the individuals are unable to make the payments, thus making the subsidy necessary. The city has to be able to document how it determined the payments were necessary for each individual receiving assistance

8. Can funding be used to provide small business grants?

As stated in the federal guidance, eligible expenses include expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. As long as the grants go to small businesses that were affected by COVID-19, these types of expenses are allowable.

9. Can funding be used to meet the federal cost sharing requirements? Will this funding affect FEMA eligibility? **Revised based on Presidential Memorandum dated January 21, 2021**

Per the federal FAQs, this funding may be used for the cost-share of FEMA Public Assistance (PA) Program, but the cost must be an eligible use of funds under both the Coronavirus Relief Fund and the Stafford Act. Please be sure to review both the Coronavirus Relief Fund eligible uses and the Stafford Act allowable uses before deeming any costs as part of the cost sharing requirement. FEMA eligibility will continue to be based upon the Stafford Act and we encourage entities to coordinate with CalOES. FEMA will not deny an eligible claim for PA if there is another overlapping federal fund source, unless the federal agency has more expertise and the fund source is more flexible. Specifically, FEMA has determined that the Department of Health and Human Services and Treasury are the most appropriate agencies for states and local governments seeking funding for contact tracing. See the following link regarding the relevant guidance.

[https://www.fema.gov/media-library-data/1593609857750-0a9c88370c27f1391b4c907818c1b3a2/FEMA-COVID-19\\_coordinating-public-assistance-and-other-sources-of-federal-funding\\_07-01-2020.pdf](https://www.fema.gov/media-library-data/1593609857750-0a9c88370c27f1391b4c907818c1b3a2/FEMA-COVID-19_coordinating-public-assistance-and-other-sources-of-federal-funding_07-01-2020.pdf)

UPDATE: On January 21, a Presidential Memorandum allowed FEMA to reimburse 100% of costs, instead of requiring a match of 25%. In general, FEMA reimbursement requires a high level of documentation to support claims; reimbursement takes time. Additional information regarding FEMA reimbursement can be found on the CalOES website. (<https://www.caloes.ca.gov/cal-oes-divisions/recovery/covid-19> ). These resources are intended to be helpful guides, however each entity will need to make their own decisions regarding the potential return on investment for pursuing FEMA reimbursement.

**10. Can funding be used to pay for the base salaries and benefits for public safety employees? *Revised based on US Treasury Guidance dated 9-2-20.***

Because of the presumption that public safety (and public health, health care, and human services) is (are) **substantially dedicated** to mitigating and responding to COVID-19, all costs for these (public safety) employees are allowable, even if they were budgeted (unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise). Recent guidance defines these employees (see question 20) and specifies that all costs of such employees may be paid with CRF. Payroll can include certain hazard pay and overtime, but not workforce bonuses.

Covered benefits include, but are not limited to, the costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (federal and state), workers compensation insurance, and Federal Insurance Contributions Act (FICA) taxes (which includes Social Security and Medicare taxes).

However, based on Treasury OIG guidance, release on August 28, the documents and financial records must be maintained to support the use of CRF payments for when the presumption is made that payroll costs are substantially dedicated to mitigating or responding to the COVID-19 emergency. This is consistent with the concept that only actual costs (not budgeted) would be eligible for reimbursement. At a minimum payroll records will be required. Local entities should also provide documentation regarding which staff were determined to be substantially dedicated based on the assigned duties (see also question 20).

**11. Can funding be used to increase teleworking, telehealth, and distance learning opportunities? *Updated to reflect Control Section 11.90 of the 2021 Budget Act, which requires all CRF be spent by September 1, 2021.***

The jurisdiction must be able to prove the broadband expenditures are necessary for the public health emergency. If the scale and scope of a project is needed to support distance learning, telemedicine, and telework for COVID-19, and it can be completed by September 1, 2021, it is generally allowable. If it is unlikely to be completed until after that point, it would be very difficult to meet the test of "necessary". The jurisdiction would need to document how a broadband project comports with federal requirements and the necessity due to COVID-19.

12. Is competitive bidding required?

There is nothing specific from the guidance, but we have been advised that competitive bidding is not required. The sections of the Code of Federal Regulations (CFR) that are applicable to federal bidding are excluded from the guidance and only a few portions of the CFR are applicable to use of the CRF.

13. Can this funding be used to replace lost revenues?

Fund payments may not be used for government revenue replacement.

14. What is meant by non-duplication of efforts?

The idea on this is to ensure funding isn't going towards efforts that are already fully subsidized. Recipients are responsible for ensuring that they do not receive payment twice for the same item of expense. This is also intended to encourage working with neighboring jurisdictions to leverage resources.

15. For economic support for small businesses affected by COVID-19, does the support have to be in the form of grants? Can the local government purchase items such as tents to allow for outdoor dining and then disburse them to businesses?

The federal guidance does not stipulate that economic support for businesses is only limited to grants. The economic support expenditures, including any items purchased on behalf of businesses, must be deemed as necessary expenditures incurred due to the public health emergency. Please be sure to retain the receipts for at least 5 years.

16. If small business grants are provided, does the local entity only need to document that the grant was necessary? Does the entity have to require receipts or documentation on how each business used the grants? Does the business have to use the funds by December 30, 2020? **Updated to reflect Control Section 11.90 of the 2021 Budget Act, which requires all CRF be spent by September 1, 2021.**

While local governments have discretion to determine what payments are necessary, the city or county must be able to document the grants how that determination was made. The grants must be awarded by September 1, 2021. To document necessity, the businesses could provide information to show they were closed as a result of public health orders or statements that demonstrate revenue losses due to COVID-19. The city or county does not need to ask for receipts, but it is advised that the business grant application identify how the funds will be spent. The grant application should also require businesses to retain receipts and other documentation of how funds were spent for at least 5 years. The recipients of the grant funds must incur costs by September 1, 2021.

17. If a local government issues emergency small business loans to local businesses directly impacted by COVID-19 out of unbudgeted funds, would it be possible to convert these loans to grants or forgivable loans in order to use the CRF funding to

reimburse the local fund that was used to fund the loans initially? **Updated to reflect Control Section 11.90 of the 2021 Budget Act, which requires all CRF be spent by September 1, 2021.**

Since eligible expenditures include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption, the conversion of the loans to grants is allowable as long as you can document that the grants are necessary expenditures incurred due to COVID-19, were unbudgeted as of March 27, 2020, and costs are incurred by September 1, 2021. All of the previously issued loans may not meet that criteria, so be sure to review that before converting the loans to grants such that it includes an assessment if the expenses are necessary. You could also forgive the loans and use the CRF funding to reimburse the local fund for the cost of the loans. The same conditions of funding still apply to this route.

18. If a jurisdiction doesn't have their own public safety department and contracts with neighboring public safety departments, are those contracts costs eligible under the public safety presumption? **Updated to reflect Control Section 11.90 of the 2021 Budget Act, which requires all CRF be spent by September 1, 2021.**

Yes, the contract costs for public safety are an eligible use. Only the amount of the contract that is actually utilized or expended by September 1, 2021 is a covered cost. Payroll records and documentation that support staff time, through that contract, dedicated to mitigating the COVID-19 health emergency for the covered period March 1, 2020 through September 1, 2021.

19. Does a government have to document that public safety and public health employees responded to COVID-19 cases? What public safety and public health positions qualify for the "substantially dedicated" presumption? **Revised based on US Treasury Guidance dated 9-2-20.**

**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, including medical staff assigned to schools, prisons, and other such institutions, and other support services essential for patient care (e.g., laboratory technicians) as well as employees of public health departments directly engaged in matters related to public health and related supervisory personnel. Generally, CDC identifies public health staff as those "that are involved in epidemiology, public health informatics and surveillance, health economics, public health laboratory science".

Under the presumption, it is not necessary to show public health and public safety employees responded to COVID-19 cases. Treasury has provided, as an administrative accommodation, that local government may presume that public health and public safety employees meet the substantially dedicated test, unless the chief

executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

The city/county would just need to show payroll records. For any employee that does not clearly fall within the presumption, the city or county would have to document how the employee is substantially dedicated to COVID-19. Documents and financial records must be maintained to support the use of CRF payments for when the presumption is made that payroll costs is substantially dedicated to mitigating or responding to the COVID-19 emergency.

20. If an employee that is substantially dedicated elects to receive compensated time off or administrative leave credits instead of overtime pay, is the usage of the time an eligible expenditure? **Updated to reflect Control Section 11.90 of the 2021 Budget Act, which requires all CRF be spent by September 1, 2021.**

Payroll includes certain hazard pay and overtime. Costs must be incurred between March 1, 2020 and September 1, 2021. The June 30th federal guidance clarified that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period. Based on this, the leave would have to be accrued and used before September 1, 2021. It is ultimately up to the local government to determine what type of compensation to offer; however, a combination of regular pay and overtime pay likely provides the best audit trail. In addition, payroll records and documentation that support an employee's time dedicated to mitigating the COVID-19 health emergency for the covered period March 1, 2020 through September 1, 2021.

Treasury has further clarified that covered benefits include, but are not limited to, the costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty).

21. Does the Fund cover salaries and benefits for employees on Emergency Family Medical Leave? If an employee on emergency federal leave uses their own leave credits to receive their full pay, is this an eligible expense?

The Families First Coronavirus Response Act (FFCRA) allows employers to deduct the cost of wages, expenses for a qualified health plan to maintain employee health benefits, and the employer's share of Medicare tax (outlined in section sections 7001 and 7003 of FFCRA). On that basis, local government eligible expenses could include wages, health benefits, and employer share of Medicare consistent with the limitations in the FFCRA. It is unclear if pay differentials such as "longevity, bilingual pay" is allowable.

The payroll cost of an employee using their own sick and vacation leave to receive full pay while on emergency federal leave is not an eligible expenditure. Only the paid sick time granted under the FFCRA is eligible.

22. What is the threshold for "necessary expenditures"?

There is no definition of what is necessary. Local governments have discretion to identify costs that are necessary and develop and retain reasonable documentation. Many of these expenses will be obvious, particularly if they are listed in one of the seventeen categories of expenditures in the federal guidance.

23. What qualifies as a "small business"?

We are generally relying on federal definitions and guidelines when we come across terms that are unclear in the CRF guidance and FAQs. The link below contains federal information on how to determine if a business qualifies as small, and it includes a link to the Code of Federal Regulations that defines a "small business"

<https://www.sba.gov/partners/contracting-officials/small-business-procurement/small-business-size-standards>

24. The guidelines allow grants to small businesses to mitigate losses due to COVID-19. The FAQs indicate that these grants may be administered by a non-profit organization. Would the administrative charge of the non-profit be an eligible expense? Is there a cap on the charge?

The CRF FAQs indicate if a local government determines that "administrative costs" of a non-profit are "necessary", they appear to be an eligible cost. Many federal grants/programs (CRF is not considered a grant) cap administrative expenses at 5 percent of the award.

25. Are non-profits eligible for economic support/business grants?

The guidance lists providing grants to small businesses as an example of providing economic support, but we don't interpret that to necessarily mean non-profits are excluded. The city has to be able to document the necessity of providing the assistance to a non-profit as a result of COVID-19. To document necessity, the non-profit could provide documentation that shows a reduction in donations due to COVID-19 and its associated closures.

Related to non-profits, the federal FAQs indicate that small business/economic support grants may be administered by a non-profit organization, and if a local government determines that "administrative costs" of a non-profit are "necessary", they appear to be an eligible cost. Many federal grants/programs (CRF is not considered a grant) cap administrative expenses at 5 percent of the award.

26. Is unemployment insurance an eligible expense?

According to the federal FAQs, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer related to the COVID-19 public health emergency, if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise. So the real answer is partially and it depends. If your local agency has elected the **reimbursable method** of financing UI, the repayment of costs incurred and billed by EDD may be made with



the CRF. If your agency uses the **experience rating** of financing UI, then these costs could not be paid by CRF as they would be paid based on payroll taxes paid into the UI Fund. In addition if the federal government pays 50% of the costs under provisions of the CARES Act (noted below) then only one-half of these costs can be paid by the CRF.

The federal government will only reimburse the cost once. In theory, under these provisions, unemployment costs could be paid 50% with CARES Act pursuant to Section 2103 of the Act. The other 50% could be paid with CRF. We would note that it may make sense to consult with EDD. We understand that the state has applied to participate in this program and funding is technically available. However, we understand that EDD is still establishing the actual process to reimburse entities, the associated IT changes required, and the stipulations by the feds on when employers can actually be reimbursed, EDD hasn't yet issued any reimbursement back to governmental entities as allowed under this Section. Given the timing and outstanding questions, this is unlikely to be the best use of CRF dollars and requires additional documentation.

Link to Federal DOL UI

Guidance: [https://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_18-20.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_18-20.pdf)

27. Would a food bank for the residents of the City be an allowable expense for the CARES funding?

Short Answer: Yes

While the guidance does not make any specific references to establishing a "food bank" it has several comparable references relative to providing assistance that appear to indicate that would be an allowable expense. The primary one I would rely upon is the idea of "second-order effects" of the emergency and the provision of economic support to those suffering from unemployment. If someone is unable to work, they are also limited in their ability to provide food for their families. In addition, there has been direct federal assistance through the CARES Act to support local food banks, including use of National Guard staff to help with food distribution and various donations of federal commodities. These are both examples where assistance with a basic need – provision of food are recognized as "necessary to respond /mitigate the effects of COVID-19. Finally, in recent guidance from the Federal Treasury OIG related to reporting "Food Programs" is a designated expenditure category.

28. Would we have to pro-rate the cost of the licenses for MS Teams and SharePoint used to support enhance telework capabilities? If not, do you have an idea of what documentation might be required?

While the guidance is not specific about these types of licenses, if the local entity can demonstrate the ordinary practice is to buy long-term licenses periodically to

cover multiple years, it may be allowable as outlined in the excerpt below (using a "lease" as an example). Further, equipment and software to support the ability to enhance telework capabilities and mitigate the spread of COVID-19 are broadly eligible. It is not unreasonable to expect that these costs could be paid in full with CRF. If your county has other eligible expenses for CRF funds, it may be prudent to prorate the cost but that seems like a very conservative approach.

*May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?*

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

29. Can the Coronavirus Relief Funds be used to pay for indirect costs? **Revised based on US Treasury Guidance dated 9-2-20.**

Recipients may not apply their indirect costs rates to payments received from CRF.

Recipients may, if they meet the conditions specified in the guidance for tracking time consistently across a department, use CRF to cover the portion of payroll and benefits of employees corresponding to time spent on administrative work necessary due to the COVID-19 public health emergency. (In other words, such costs would be eligible direct costs of the recipient).

An entity may also expend CRF on necessary administrative expenses incurred with respect to a new grant program established to disburse amounts received from the Fund.

30. Are costs incurred to provide child care services to facilitate the response to COVID-19 an allowable use of CRF funds? For example, a city may incur costs to operate a child care program for children of essential employees who have no other means of obtaining child care services.

There is nothing in the federal guidance that speaks directly to the use of CRF funds to provide child care services for essential employees. However, local entities have the discretion to make a determination that such services are necessary to mitigate the effects of COVID-19. A local entity would need to document the necessity for these services and any related costs to support the use of CRF funds.

31. May CRF be used to provide across-the-board hazard pay for employees working during a state of emergency? **Added based on Updates to FAQs dated 9-2-20.**

No. Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19. Payments from the fund may only be used to cover such hazard pay.

32. May CRF be used for expenses associated with safe reopening of schools? **Added based on Updates to FAQs dated 9-2-20.**

CRF may be used to cover costs associated with providing distance learning (e.g., the cost of laptops to provide to students) or for in-person learning (e.g., the cost of acquiring personal protective equipment for students attending schools in-person or other costs associated with meeting Centers for Disease Control guidelines). As an administrative convenience, Treasury will presume that expenses of up to \$500 per elementary and secondary school student to be eligible expenditures, such that schools do not need to document the specific use of funds up to that amount.

33. Does the National Environmental Policy Act (NEPA) apply to project funded by CRF? **Added based on Updates to FAQs dated 9-2-20.**

NEPA does not apply to projects funded by CRF. However, if a project receives other federal financial assistance, it may still be subject to NEPA review under that program.

34. If we reported the CRF as fully spent in our last report, do we need to submit a report for this cycle? **Revised as of Cycle 4**

If your entity reported its CRF allocation fully spent (no remaining obligations), you will be required to report through this portal for one additional cycle with no changes. For example, if your entity reported CRF fully spent in Cycle 1, you will need to report again in Cycle 2, but will not need to continue reporting in future cycles.

Note: If there are any changes to the expenditures, you will need to resume reporting.

**Example:**

- Cycle 2: Allocation Fully Spent
- Cycle 3: No Changes
- Cycle 4: Expenditures moved between categories (net zero change)
- Cycle 5: Must report
- Cycle 6: If no changes were reported in Cycle 5, reporting is not required

35. If we need to change the e-mail address associated with the last CRF report, how do we do that?

Each individual report is associated with a single e-mail address. Due to this, it is important that the e-mail address that is used is one that will be valid and accessible over the next several months. If the original e-mail address used to submit a CRF expenditure report is no longer valid, or needs to be changed for any reason, you will **first** need to register the new, preferred e-mail address in the portal. Once you have registered the new e-mail address, e-mail [CRFReportHelpDesk@dof.ca.gov](mailto:CRFReportHelpDesk@dof.ca.gov) notifying Finance of this change and we will transition your entity's CRF reports to the new e-mail registration.

36. What federal regulations apply to CRF?

Fund payments are considered to be federal financial assistance under 2 CFR § 200.40 subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

Fund payments to subrecipients count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program-specific audit pursuant to 2 C.F.R. § 200.501 (a) when the subrecipients spend \$750,000 or more in federal awards during their fiscal year.

37. When will my entity be audited based on reported CRF expenditures?

Fund payments count toward the threshold of the Single Audit Act. Government entities are subject to a single audit or program-specific audit pursuant to 2 CFR § 200.501 (a).

In addition to initial desk reviews of data reported in each cycle, Finance will begin monitoring of reported expenditures (from the first two reporting cycles) in November 2020. To avoid unnecessary duplication, Finance will ask for subrecipients to provide summary of findings from Single Audits or other audits, including the Treasury OIG, when they are completed.

We do not know when the Treasury OIG will begin audits. All records and supporting documentation of expenditures must be maintained for five years.