

**2020 - 2021  
Officers**

Tim Lynch, President  
5614 N. County Road 11  
Tiffin, OH 44883

Ed Huff Jr., 1<sup>st</sup> Vice President  
P.O. Box 306  
Ansonia, OH 45303

Scott Fabian, 2<sup>nd</sup> Vice President  
126 Montgomery Lane  
Mingo Junction, OH 43938

Ron Miller, Secretary-Treasurer  
1371 Lemert Road  
Bucyrus, OH 44820

**2020 - 2021  
Board of Directors**

Dale Dietrich  
38415 Rock Camp Road  
New Matamoras, OH 45767

Bob Entenmann  
1400 Washington N. Road  
Mansfield, OH 44903

Daniel Frederick  
49 Main Street  
Milan, OH 44846

Ed Good  
56080 Matts Lane  
Shadyside, OH 43947

Barbara Greuey  
2817 Conk Palmer Road  
Malta, OH 43758

Ellen Homan  
402 Pine Road  
Ft. Recovery, OH 45846

Larry Johns  
09280 Glynwood Road  
Wapakoneta, OH 45895

Marissa Lautzenheiser  
9091 Sandyville Road N.E.  
Mineral City, OH 44656

Carl Mangun  
3063 Lustre Road N.E.  
Carrollton, OH 44615

Sandra Reichley  
17540 State Route 664 S.  
Logan, OH 43138

Gary Salmon  
7350 Brookville Road  
Oxford, OH 45056

Tom Shay  
686 Kale Adams Road  
Leavittsburg, OH 44430

Robert Trowbridge  
7777 County Road F  
Delta, OH 43515

Mark Van Buren  
4832 Keller Road S.W.  
Hebron, OH 43025

Steven Woolf  
8803 Baltimore-Phillipsburg Road  
Brookville, OH 45309

John C. Zizka  
9177 Asbury Road  
Mantua, OH 44255



# OHIO TOWNSHIP ASSOCIATION

HEIDI M. FOUGHT, EXECUTIVE DIRECTOR  
MARISA MYERS, DIRECTOR OF GOVERNMENTAL AFFAIRS  
6500 TAYLOR ROAD, SUITE A  
BLACKLICK, OH 43004  
PHONE: 614-863-0045 | FAX: 614-863-9751  
OHIO-TOWNSHIPS.ORG

September 11, 2020

Dear Township Fiscal Officer:

Like you, the Ohio Township Association (OTA) has been navigating the uncharted waters of the COVID-19 pandemic over the last several months. Many of our efforts have been focused on providing information to our members regarding the CARES Act and the funding that townships are eligible to receive through this federal appropriation.

The OTA continues to receive questions on this funding and its uses. We understand that townships are trying to do the right thing: maintain fiscal responsibility and expend funds only in ways that are appropriate. We've heard your concerns and understand your apprehension in some cases.

Although this funding and its associated processes are unfamiliar and may seem complex, the funding presents an opportunity for Ohio townships that is not as difficult to implement as it may seem. **The OTA encourages townships to explore the use of these funds**, which will benefit townships themselves and the communities they serve.

To that effect, we are providing you with this packet of information that we hope answers many of your questions. Included is:

- An overview of the federal CARES Act and applicable state legislation;
- Step-by-step guidance on how to receive the funds;
- A sample resolution;
- Examples of eligible uses from across the state;
- Information on how to subgrant funding;
- Information on audit procedures; and
- Where to find additional resources.

While OTA information should not be construed as legal counsel, we hope you find this packet valuable and that it serves as a one-stop-shop for your CARES Act questions. As always, we encourage townships to work with their legal counsel on additional questions and interpretations of legal requirements.

Additionally, there are **two upcoming webinars** on these funds:

- **Use of CARES Act Funds – Friday, September 18<sup>th</sup> from 11:00am-12:00pm** with Greg Beck (Baker, Dublikar, Beck, Wiley & Mathews – Attorneys at Law)
- **Subgranting of CARES Act Funds – Friday, September 25<sup>th</sup> from 1:00-2:00pm** with Director Kim Murnieks and Stacie Massey (Ohio Office of Budget and Management)

Please share this information with your trustees and anyone who may be interested. We have posted this and other information on the OTA website (under "Township Resource Links") and will continue to keep this page updated. Please do not hesitate to contact us with questions or concerns. The OTA staff is here to help you.

Sincerely,

Heidi M. Fought  
Executive Director



# CARES ACT OVERVIEW

## *Federal and State Legislation – Your Questions Answered.*

*This overview covers funding from the CARES Act; enacted House Bill 481; the Ohio Controlling Board; and Senate Bill 357, currently pending before the Ohio House of Representatives.*

### **The CARES Act**

On March 27<sup>th</sup>, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law. The CARES Act is a nearly \$2 trillion federal stimulus package that, among other programs, funds a \$150 billion Coronavirus Relief Fund for states and local governments.

The Coronavirus Relief Fund provides reimbursement to states and local governments for expenditures that are 1) incurred due to the COVID-19 public health emergency, 2) unbudgeted as of March 27<sup>th</sup>, and 3) incurred between March 1<sup>st</sup> and December 30<sup>th</sup> of this year. Local governments over 500,000 in population were able to make direct applications to the U.S. Treasury for their allocation of funds; smaller jurisdictions, like townships, had to receive funding via their state. Of the \$150 billion total, Ohio received approximated \$4.5 billion from the federal government. Of the \$4.5 billion going to Ohio as a whole, local governments under 500,000 in population are eligible for approximately \$1.2 billion.

While the federal government provided the funding, the state is responsible for distributing the revenue to local governments under 500,000 in population and monitoring its use. The Ohio Office of Budget and Management is administering the funds and controls for distribution and reporting. But this is federal money – the federal government has set the terms of uses. Any flexibility on use (i.e., allowing for revenue replacement) or the final deadline to return unused funds to the federal government must be altered by Congress.

As of September 9<sup>th</sup>, the state has distributed \$525 million to local governments (through HB 481 and the Ohio Controlling Board) and is working on legislation that would distribute another \$650 million (SB 357). Once finalized, the state will have distributed all CARES Act money through the three rounds of funding – each is explained below.

### **House Bill 481**

HB 481, enacted on June 19<sup>th</sup>, provided a mechanism to distribute an initial round of CARES Act funding to local jurisdictions in Ohio, totaling \$350 million.

#### *How was the revenue distributed?*

The \$350 million was distributed to the 88 counties based on undivided Local Government Fund (LGF) revenue from 2019. The formula did not include park districts, those entities over 500,000 that already received direct funding from the federal government, the township set-aside, municipal direct fund, or red-light camera restrictions. Local governments received approximately 110 percent on LGF funds received in 2019.

#### *What do townships need to do to receive funding?*

To receive funding, a township must adopt a resolution affirming that funds received may be expended only to cover costs consistent with the requirements of section 5001 of the "Coronavirus Aid, Relief, and Economic Security Act," as described in 42 U.S.C. 601(d), and any applicable regulations. After passage of a resolution and certification to the county auditor and Ohio Office of Budget and Management, funding will then be distributed to townships through the LGF formula. *(House Bill 481 continued on next page)*



*(House Bill 481 continued)*

*Does the OTA have a sample resolution?*

Yes – it is available on our website and included in this packet.

*Can the funds be put into the general fund?*

No – this revenue must be put in a separate fund, called the Local Coronavirus Relief Funds, and cannot be co-mingled with other revenue.

*How can the money be spent?*

This funding cannot be used to fill shortfalls in government revenue. The funding can only be spent on expenses allowed under the CARES Act. Generally, these are unbudgeted expenses related to COVID-19 incurring between March 1 and December 30, 2020 (please refer to U.S. Treasury guidance).

*What if the money isn't spent?*

If the money is not encumbered (i.e., obligated for an eligible expense but not necessarily paid yet) for CARES Act eligible purposes as of October 15<sup>th</sup>, it must be returned to the county for redistribution to other districts within the county that have exhausted their allocation. Redistribution will be based on population – the percentage of the jurisdiction's population versus the total population of municipalities and townships in the county eligible for additional funds. Final spending (i.e. money out of accounts) must occur by December 28<sup>th</sup>. Any unspent funds must be returned to OBM so that the agency may transfer it back to the federal government by December 30<sup>th</sup>. *(Note: these dates may be changed in future legislation. See SB 357 below.)*

*How will the funds be audited?*

Townships must use this revenue in accordance with federal law and U.S. Treasury guidance, which is available on the Treasury's website and has been sent in numerous OTA email alerts. Auditor of State Faber has indicated that expenses relating to CARES Act funds are material in nature and will be audited during your next regular audit. The federal Single Audit Act may apply if entities receive over \$750,000.

## ***The Ohio Controlling Board***

The second round of funding came on August 24<sup>th</sup> via the Ohio Controlling Board, a body that handles state budget adjustments. The Controlling Board distributed another \$175 million to local governments in the same manner as HB 481. This equaled about 50 percent of what the local government received under HB 481.

All the dates and requirements in HB 481 apply to this round of funding as well. However, a jurisdiction is only required to pass one resolution for these funds. If a township has accepted funds under HB 481, this second distribution came automatically and should also be put into the Local Coronavirus Relief Fund. However, if a township has not yet passed a resolution, the board would still need to take that action to receive any funding. This disbursement brought the total distributed to \$525 million to local governments.

## ***Senate Bill 357***

SB 357 is the latest mechanism for CARES Act funding distribution that, as of print date, is still under consideration at the Ohio General Assembly. The bill would distribute the remaining \$650 million but varies from the HB 481 model.

*How would this distribution differ from HB 481?*

This distribution is based on population. Unlike HB 481 and Controlling Board funding (which used the Local Government Fund formula), this disbursement is to be based on the local government's population. For townships, this is unincorporated population only. Population would be based on the most recent estimates published by the Ohio Development Services Agency. *(Senate Bill 357 continued on next page)*



*(Senate Bill 357 continued)*

*What are the processes and deadlines under this bill?*

The processes and requirements for funding remain the same, but deadlines are proposed to change. An extension for state deadlines for all CARES Act funds is included in the “As Passed by the Senate” version of this bill. As mentioned above, HB 481 required redistribution of any unencumbered funds on October 15<sup>th</sup>. Under SB 357, townships would have until November 20<sup>th</sup> to encumber CARES Act funds, HB 481 and Controlling Board funds, for eligible purposes or return them to the county for redistribution. Jurisdictions would have until December 30<sup>th</sup> to spend the funds and until February 1, 2021 to reconcile accounts with OBM, rather than the December 28<sup>th</sup> deadline in HB 481 and Controlling Board language.

*Do I need another resolution?*

No, a township only needs one resolution to receive funds. There is no need to pass another resolution to receive funds under SB 357. If you've accepted funds under HB 481, additional funding will be automatically transferred. All other general requirements of the CARES Act still apply.

This bill is now pending in the Ohio House. Once finalized, it will complete the distribution process for CARES Act funding.

If you have any questions about these pieces of legislation or the process, you may contact OTA Director of Governmental Affairs Marisa Myers at [myers@ohiotownships.org](mailto:myers@ohiotownships.org).



# HOW TO: *Receive CARES Act Revenue*

## STEP #1

### Pass a Resolution

HB 481 requires each township to adopt a resolution affirming that funds received may be expended only to cover costs consistent with the requirements of section 5001 of the "Coronavirus Aid, Relief, and Economic Security Act," as described in 42 U.S.C. 601(d), and any applicable regulations. This requirement is also necessary to receive funds through the Controlling Board and SB 357 (should the bill pass). However, only one resolution is necessary to receive funding – a township does not need to pass multiple resolutions for each distribution.

The resolution should be filed with the county auditor and sent to OBM ([grants@obm.ohio.gov](mailto:grants@obm.ohio.gov)). Once your county auditor receives your resolution, funds should be transfer to your township. Don't forget to create a separate account named the Local Coronavirus Relief Fund, as CARES Act funding cannot be comingled with other funds. A sample resolution is included in this packet and available on the OTA website.

## STEP #2

### Register with OBM

You will need a DUNS number to do so. If a township has received federal funding in the past, you may have a DUNS number already. If you need a DUNS number or are not sure if you have one, visit the Dun & Bradstreet website ([www.dandb.com](http://www.dandb.com)) to retrieve your number. You must also be registered in the System of Award Management (SAM) for federal funding. To create an account or verify that an existing registration is active, visit [www.sam.gov](http://www.sam.gov). There is no fee to register in SAM.

To register with OBM, visit [www.grants.ohio.gov](http://www.grants.ohio.gov). Click on "Funding Opportunities," then "CARES Act – Coronavirus Relief Fund Local Government Assistance Program." This will open an online registration form to fill out and submit. OBM requests your DUNS number on the application form and will verify that a township registered in SAM after submission of OBM's registration.

This process is not needed to receive CARES Act money through the county auditor, but it will be necessary for reporting purposes through OBM. If you need assistance with the registration process, you may contact OBM at [grants@obm.ohio.gov](mailto:grants@obm.ohio.gov).

## STEP #3

### Be Mindful of Deadlines

After receiving funds and registering with OBM, a township must be mindful of deadlines associated with CARES Act funding. Below is a list of current deadlines:

- October 15<sup>th</sup>: All *unencumbered* (i.e. unobligated, not necessarily unspent) CARES Act funds must be returned to the county for redistribution. The county auditor will redistribute funding to jurisdictions that have exhausted their allocation by October 22<sup>nd</sup>. Additionally, OBM requires an interim financial report for activity through September 30<sup>th</sup>, due on this day.
- December 28<sup>th</sup>: All *unspent* funding must be returned to the state through OBM. OBM must return unexpended funding to the federal government.
- December 30<sup>th</sup>: Final report is due to OBM to close-out all activity with this funding. More information on reporting will be forthcoming and conducted through the portal you established in Step 2.

Please note: these dates may change (SB 357 has a slightly altered timeline). The OTA will send out any changes to CARES Act deadlines – please check our publications, social media and website regularly. For expenses and reporting, remember to document, document, document!

**[Township Name] Township**

**[RESOLUTION NUMBER AND TITLE]**

**WHEREAS**, the Coronavirus Aid, Relief, and Economic Security Act, 116 Public Law 136, (the CARES Act) was signed into law by the President of the United States on March 27, 2020; and

**WHEREAS**, the Ohio General Assembly established a process for distributing funds provided by the “Coronavirus Aid, Relief, and Economic Security Act” in House Bill 481 of the 133<sup>rd</sup> General Assembly (HB 481); and

**WHEREAS**, HB 481 requires subdivisions receiving funds under Section 1 of the act, to pass a resolution affirming that funds from the County Coronavirus Relief Distribution Fund may be expended only to cover costs of the subdivision consistent with the requirements of section 5001 of the CARES Act as described in 42 U.S.C. 601(d), and any applicable regulations before receiving said funds; and

**WHEREAS**, **[Township Name]** Township is requesting its share of funds from the **[County Name]** County Coronavirus Relief Distribution Fund.

**NOW THEREFORE**, be it resolved that the Board of Trustees of **[Township Name]** Township affirms that all funds received from the **[County Name]** County Coronavirus Relief Distribution Fund pursuant to HB 481 be expended only to cover costs of the Township consistent with the requirements of section 5001 of the CARES Act as described in 42 U.S.C. 601(d), and any applicable regulations and guidance only 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 **[Township Name]** Township’s most recently approved budget as of March 27, 2020; and
- (3) Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

**FURTHERMORE**, in compliance with HB 481, be it resolved by the Board of Trustees of **[Township Name]** Township that the **[Township Name]** Township Fiscal Officer take all necessary action to:

- (1) On or before October 15, 2020, pay any unencumbered balance of money in the **[Township Name]** Township’s local coronavirus relief fund to the **[County Name]** County Treasurer;
- (2) On or before December 28, 2020, pay the balance of any money in the **[Township Name]** Township’s local coronavirus relief fund to the state treasury in the manner prescribed by the Director of the Ohio Office of Budget and Management; and
- (3) Provide any information related to any payments received under HB 481 to the Director of the Ohio Office of Budget and Management as requested.

Adopted on: **[DATE]**

**[ADD SIGNATURE LINE FOR FISCAL OFFICER AND TRUSTEES]**



# Uses of CARES Act Money

This document was compiled using examples from townships across Ohio – the OTA appreciates the feedback from our members. Many of the submitted uses overlap. If the OTA received a unique submission, the township is noted next to the use so that you may contact the township directly for more information. While we hope this document provides ideas for CARES Act revenue usage, it does not constitute legal advice on eligible uses of funds.

## Safety Services

---

- Fire and EMS salaries (based on COVID-19 runs) *Springfield Twp. (Hamilton Co.)*
- Salary costs (hourly rate, pension, health-related insurance benefits proportionate to COVID-19 hours worked) related to: COVID-19 quarantine/sick leave, COVID-19 work on policy and procedures, COVID-19 work with multi-agency workgroups, shift work hours/overtime due to COVID-19, COVID-19 work for emergency operations center – County *Plain Twp. (Franklin Co.)*
- Overtime for first responders *Symmes Twp. (Hamilton Co.)*
- Safety equipment: PPE, face shields, disposable gloves, safety glasses, heart monitors, Decon system, anti-fog shields, gowns, rain ponchos, Tyvek coveralls, radio windscreens, disposable blood pressure cuffs
- Single operator devices: power cot, LUCAS/chest compression device, touchless CPR device
- Cleaning supplies: rubbing alcohol and pads, bleach, spray bottles, portable air & surface disinfectant lamps, N-95 mask wastebasket, boxes to ship N-95 masks for cleaning, air hose & paint gun (to make disinfectant sprayer), electrostatic sprayer, EMS filters, HEPA light filters
- Restock medic units with medicine *Genoa Twp. (Delaware Co.)*
- MSA Test Solution & MSA Bitrex Solution
- COVID-19 testing site for first responders *Delhi Twp. (Hamilton Co.)*
- Hepafilters & MSA Mask Adapters
- Set up station at the bus garage to separate firefighter/EMS staff *Austintown Twp. (Mahoning Co.)*
- Washer/dryer for COVID-19 exposed clothing *Madison Twp. (Franklin Co.)*
- Possible\* purchase of ambulance unit *Plain Twp. (Stark Co.)*

## Facilities

---

- Touchless/automatic upgrades: automatic doors, barriers/separators, water bottle filling stations, touchless faucets and toilets in buildings, counter windows with slots, lockable airtight doors between public and employee areas, exteriors doors with windows to view and admit visitors, remote opening for gate *Clinton Twp. (Franklin Co.)*, keyless entry, handicapped accessibility *Pierce Twp. (Clermont Co.)*
- Cleaning supplies: misting disinfectant system, excess Lysol wipes, hand sanitizer
- HVAC upgrades *Washington Twp. (Montgomery Co.)*
- Plastic cups, utensils, and paper towels
- Portable and permanently mounted UV lights *Monroe Twp. (Clermont Co.)*
- Additional small tables for Township Hall meeting room to accommodate physical separation of board and commission members during live meetings
- Cubicle-dividers to separate employee workspace from common use areas (copier, postage meter, etc.)
- Stanchions separating certain areas
- Mail drop box outside Township Hall front door while building is closed to the public *Twinsburg Twp. (Summit Co.)*
- Automatic temperature readers
- Air duct cleaning and UV upgrades to air handlers *Boardman Twp. (Mahoning Co.)*
- Air purifiers with MERV filters of 13 or higher for the meeting hall *Austintown Twp. (Mahoning Co.)*
- Doorbells or camera system connected to receptionist for public buildings *Madison Twp. (Franklin Co.)*

## Parks

---

- Touchless faucets and toilets in parks (*Parks continued on next page*)



*(Parks continued)*

- COVID-19 signs for the parks *Delhi Twp. (Hamilton Co.)*
- Hand sanitizer stations
- Additional picnic tables for Township parks and public properties to accommodate outdoor eating *Twinsburg Twp. (Summit Co.)*
- Replacing wooden picnic tables with plastic *Madison Twp. (Franklin Co.)*

## **Personnel**

---

- Pay for an employee who was quarantined while awaiting test results (or other leave under the FFCRA) *Franklin Twp. (Warren Co.)*
- Unemployment for part-time employees who lost their jobs at their full-time place *Symmes Twp. (Hamilton Co.)*
- COVID-19 related overtime *Sugarcreek Twp. (Greene Co.)*
- Contactless thermometers
- Reimbursing staff for cell phone and Wifi usage in March and April *Jackson Twp. (Stark Co.)*
- Moving new hire forms and processes online
- Replacing timecards and sign-in books with mobile process *Madison Twp. (Franklin Co.)*
- Employment training programs for furloughed employees
- COVID-19 testing

## **Technology**

---

- Equipment to allow online meetings: laptops, web cameras, sound and video systems, subscription to online platforms
- Remote work tools: GoToMyPC annual licenses, Cisco Webex Plus *Delhi Twp. (Hamilton Co.)*, Netgate SG-5100 VPN Appliance, VPN development, Amphitheater Website Development *Jackson Twp. (Stark Co.)*, printers, internet hotspots, desks *Madison Twp. (Franklin Co.)*
- Zoning software that allows permitting and payments online and software that allows police reports to be viewed and printed online
- Laptops and MDTs (Mobile Data Terminals) for police to allow video conferencing, staff to work from home, and to continue to provide training via online
- iPads for Zoning and Road Field inspectors to log from the field *Boardman Twp. (Mahoning Co.)*
- Smart TVs, digital signs *Grafton Twp. (Lorain Co.)*
- Expanding broadband capacity

## **Miscellaneous**

---

- Civil legal services for their jurisdiction - sub granting to Ohio Access to Justice Foundation *Summit County*
- Additional small pickup truck to facilitate policy of one employee per vehicle when multiple employees go to a common work site *Twinsburg Twp. (Summit Co.)*
- PPE (masks, gloves, gowns, and face shields) and will be ordering facemasks to give out to residents by household until supplies run out *Boardman Twp. (Mahoning Co.)*  
Sub-granting funds to schools and local parks to help with cleaning and sanitization *Boardman Twp. (Mahoning Co.)*
- Assisting four restaurants located in a row at a shopping center by creating outdoor dining capacity for fall & winter (raised platform, barrier to traffic, lighting, tables/chairs, umbrellas, portable heaters, signage) *Columbia Twp. (Hamilton Co.)*
- Sub-granting funds to nonprofit to assist township residents affected by COVID-19 with utility and rental assistance *Madison Twp. (Franklin Co.)*
- Free COVID-19 testing program for township residents *Marion Twp. (Hancock Co.)*
- Small business grants
- Costs to provide critical public health infrastructure, such as running water, to rural areas
- Batteries for hands-free items
- Costs of administering fund payments or programs
- Cost of an audit conducted under the Single Audit Act (if necessary)

*Use of CARES Act Money*



# Guide to Sharing Coronavirus Relief Funds (CRF)



Ohio

The Ohio Grants  
Partnership

The Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) established the Coronavirus Relief Fund to provide state and local governments assistance to navigate the impact of the COVID-19 public health emergency. Funding was provided from the US Department of Treasury to the State of Ohio to support state and local governments, of which \$350 million has already been distributed through House Bill 481.

When considering the needs of your jurisdiction and community, it may make sense to pass along funding to another jurisdiction such as a fire district or a non-profit that can better serve the specific needs of your community. This concept of passing along funds for use to further expand or address the needs of the community is essentially a “subgrant.” A subgrant is different from a traditional contractual relationship where specific goods and/or services are procured and purchased.

Subgranting funds is allowable with Coronavirus Relief Funding if it is necessary due to the public health emergency and will be used to meet the eligibility criteria outlined in the guidance document from the US Treasury. It is important you understand that subgranting funds brings a responsibility to provide notice of the funding to the subrecipient and to monitor their activities; however, don’t let that deter you if passing along funds will best serve the needs of your community.

To help simplify this process, here are some recommended steps:

**Step 1:** Determine the needs of your community and gain approval of your governing body (trustees, board, etc.) on the use of funds and any subgrants of funds.

**Step 2:** Ensure the type of relationship that exists. In simple terms, a subrecipient relationship means there are ongoing responsibilities with providing the funds. Conversely, a contractor relationship ends once the goods and/or services have been received and paid for outside of warranties or other buyer protections which may extend the relationship.

**You have a subrecipient relationship if...**

\*\*Funding is provided with a purpose of completing the goal of a program, to assist with a need of the community, or to provide support for the common purpose of the original funding source.

**Example-**Funds provided to a fire district from a township to assist with their impacts and continued response to the public health emergency. The fire district is a subrecipient to the township.

**You have a contractor relationship if...**

\*\*Goods or services were procured following a procurement method and payments typically based on contract terms or a quote. A procurement method is followed, and the contractor provides the goods and/or services specifically procured.

**Example-**Funds are paid to a private ambulance service for COVID related runs based on the contractual terms in place with the jurisdiction. The private ambulance service is being paid as a contractor based upon terms negotiated, even if Coronavirus Relief Funds may be paying the cost.

There may be situations where a contractor may be passed along funds to assist with needs that are funded from the grant program. In this case, absent contractual terms to perform a service and/or provide goods, this creates a subrecipient relationship with someone that is traditionally viewed as a contractor. An example may be providing funds to a private ambulance service to deal with increased costs of sanitation or supplies due to the public health emergency. There is no expectation or procurement of a good or service, rather providing assistance or a subgrant to the entity.

This guide is for basic situations, if the relationship is more complex then it may be necessary to evaluate further. Refer to 2 CFR 200.330 (<https://ecfr.io/Title-2/Section-200.330>) when making your determination. A tool provided by the Association of Governmental Accountants at <https://www.agacgfm.org/Intergov/More-Tools/Subrecipient-vs-Contractor-Checklist.aspx> may also be able to help.

**Step 3:** Establish the protocol for the funds.

\*\*If you identified a contractor relationship, you should have a written contract in place with terms and conditions for the procurement.

\*\*If you identified a subrecipient relationship, then this step is a critical point in which a jurisdiction needs to decide the best approach for subgranting the funds. Will funds be advanced? Or will they be provided as reimbursement? Some grants do not allow for funds to be advanced, however the Coronavirus Relief Funds may be advanced. In making this decision, a jurisdiction needs to balance the urgency in providing funds quickly with the ongoing responsibility to monitor the activities the subrecipient has with the funds. Grants that are reimbursement allow for monitoring to occur with each payment, whereas an advance requires work on the back end to ensure all funds are expended appropriately. In all cases, a notice of award must be provided to the subrecipient with the details and requirements of the funds. See appendix A for sample notice of award.

**Step 4:** Maintain records and be mindful of monitoring and reporting requirements. Ultimately, subgranting funds carries with it the responsibility of informing the subrecipient of the requirements of the funds and monitoring the use to include fulfilling reporting requirements to your main awarding agency.

This guide provides a simple approach in subgranting funds. Specific requirements can be found in the uniform guidance at 2 CFR 200.331 (<https://ecfr.io/Title-2/Section-200.331>).

## APPENDIX A

### Sample Basic Subgrant Agreement Format

**NOTE:** This is merely provided as an example to assist in drafting the most appropriate document for your jurisdiction. Additional information or sections may be needed, so it is advised to discuss language with your legal counsel.

**Opportunity Title:** Description which makes sense with the purpose of the award

**Funding Organization:** U.S. Department of Treasury

**Prime Recipient:** Ohio Office of Budget and Management

**CFDA Number and Grant Name:** 21.019 Coronavirus Relief Fund

**Project Start Date:** March 1, 2020

**Project End Date:** December 28, 2020

**Grantor:** Local Government transferring CRF monies. This should include contact information for the awarding official(s).

**Subgrantee:** Local Government receiving CRF monies to include contact information.

**Award Amount:** List the total award amount here.

**Payment Method:** List the payment method that is planned. For example - Payment will be made to subgrantee on a reimbursement basis. Paid invoices will be submitted to Grantor for review and approval prior to receiving reimbursement.

**Project Description:** Details on the planned use of funds.

**Requirements:** This section is where you list all the requirements of the funding source. It may be appropriate to direct the requirements to other authoritative sources for the funds such as the OBM guidance document, the US Treasury guidance and frequently asked questions, and the US Treasury Office of Inspector General reporting and records retention requirements.

**Revisions:** This provides the terms on adapting to changing requirements. Example language includes “this subgrant agreement was developed and in effect as of the date the agreement was signed. Grantor reserves the right to revise agreement if guidance from the U.S. Treasury changes.”

**Certification:** This is a section where both entities sign-off agreeing to the terms of the award.

# AUDIT INFORMATION



## *for the CARES Act*

### OVERVIEW

---

Significant oversight for CARES Act dollars will come through the Auditor of State's office. The Auditor has explained that CARES Act funds will be audited during your next regular audit. There are not additional or special audits from the state for this revenue. However, if an entity receives more than \$750,000 in federal financial assistance, it may be subject to the Single Audit Act (31 U.S.C. §§7501-7507). CARES Act funding receipts would be able to be used to cover the expense of an audit under the Single Audit Act if necessary.

The Auditor of State has addressed issues related to the CARES Act and COVID-19 pandemic in an FAQ available on the Auditor's website, the OTA's website, and referenced in this packet under "Additional Resources." Below are some questions and answers from that document:

---

**Q This is not a completely specific topic, but what will be the AOS audit approach to compliance leniency and what documentation will AOS expect for various issues that may arise out of COVID-19? (updated June 30, 2020)**

Document, document, document -- documentation is the key! Much like the 2009 American Recovery and Reinvestment Act (ARRA), the stimulus money is flowing faster than the compliance requirements are being communicated. The CARES Act is more than two and a half times larger than the ARRA. Its accountability provisions roughly parallel those in ARRA with increased funding for existing Federal Offices of Inspector Generals and the creation of a government-wide, independent oversight body, the Pandemic Response Accountability Committee (PRAC). The Act also requires a one-stop website providing spending transparency to the public. Like ARRA, the CFDA numbers and COVID-specific requirements are not always being identified in Federal terms and conditions, which makes it difficult to track down the source of the funding and related compliance requirements. As of July, we understand that the Federal OMB will release the 2020 OMB Compliance Supplement (used by auditors to determine applicable Single Audit procedures for FY20 audits) in July (will include pre-pandemic guidance) and publish an addendum in the Fall to address the COVID-19 funding considerations and audit procedures. However, the OMB decisions about the timing and content of the OMB Compliance Supplement could be subject to change given the volatility of the current environment. Where disagreement over the application of a rule or statute arises, AOS will give all due consideration to a well-reasoned legal opinion provided by the local government's legal counsel and documented decisions about spending, compliance, etc., to the greatest extent possible. On June 18, 2020, OMB issued Memo, M20-26, instructing recipients and subrecipients must separately identify the "COVID-19 Emergency Acts expenditures" on the Schedule of Expenditures of Federal Awards and in audit report findings in order to provide adequate oversight of the COVID-19 Emergency Acts funding and programs.

**Q Will the AOS audit of these funds be rolled into the regular annual audit process?**

Yes. Local governments currently on a biennial audit schedule for fiscal years 2020 and 2021 will also need to alert their auditors as soon as possible if the total expenditures of federal funds in fiscal year 2020 are anticipated to exceed \$750,000, qualifying them for a Single Audit. Where this occurs, the auditor will need to plan to conduct a timely Single Audit for fiscal year 2020.



**Q Will the receipt and expenditure of CARES Act funds significantly affect audit costs, particularly for smaller jurisdictions that do not routinely accept federal funds?**

Yes, receipt and expenditure of CARES Act funds will increase audit scope and audit costs; however, the extent of the increase cannot be estimated at this time for the reasons described in question 13 [in the FAQ].

**Q Can I charge my audit costs for the CARES Act Coronavirus Relief Fund to the federal program? (updated July 2, 2020)**

For federal programs, the costs of audits are allowable if the audits were performed in accordance with the federal Single Audit Act and Uniform Guidance (UG).\*\* Generally, the percentage of costs charged to federal awards for a single audit shall not exceed the percentage derived by dividing federal funds expended by total funds expended by the recipient or sub-recipient (including program matching funds) during the fiscal year. The percentage may be exceeded only if appropriate documentation demonstrates higher actual costs. Other audit costs are allowable if specifically approved by the awarding or cognizant agency as a direct cost to an award or included as an indirect cost in a cost allocation plan or rate. Initial Treasury guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, Treasury clarified in guidance released June 30, 2020 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). See additional information in the Treasury guidance...

**Q How do I reimburse expenditures made out of other state and local funds with my COVID-19 federal funding? (Updated September 1, 2020)**

AOS encourages local governments to take advantage of the opportunity to reimburse expenditures made from other funds, particularly during the early months of the pandemic before the CARES Act and other COVID-19 awards were available. For those accounting systems that accommodate it, AOS prefers local governments utilize a Reduction of an Expenditure or Reduction of Prior Year Expenditure line-item to move the eligible expenditure out of the fund that originally paid for it and into the appropriate federal fund. However, some accounting systems do not include these options. Therefore, alternatively, entities may use the transfer line-items to reimburse eligible expenditures made in state and local funds with an allowable federal fund.

**Q Do expenditures need to follow the same procedures as far as amending the budget for additional appropriations and getting an amended certificate from the County? (August 31, 2020)**

There are no budgetary exemptions for CRF funding, therefore the government would need to follow the same procedures for expenditures, including any required appropriation modifications and certificate requests to the County.

---

Townships will need a separate Special Revenue Fund to separately account for their receipt and expenditure activity of the Coronavirus Relief Fund (CRF) payments distributed pursuant to HB 481 and the Controlling Board. Townships have authority under R.C. §5705.09 to establish the new fund, without seeking AOS approval.

The Auditor has created new fund numbers that have been added to the UAN application: 2272 – Coronavirus Relief Fund and 2273 – Coronavirus Relief Fund. More information can be found at [http://www.ohioauditor.gov/resources/COVID19\\_assistance.html](http://www.ohioauditor.gov/resources/COVID19_assistance.html).

For additional questions on audits and accounting, please refer to the Auditor's FAQ, the Local Government Services Division within the Auditor's office, and/or UAN Support.

# ADDITIONAL RESOURCES

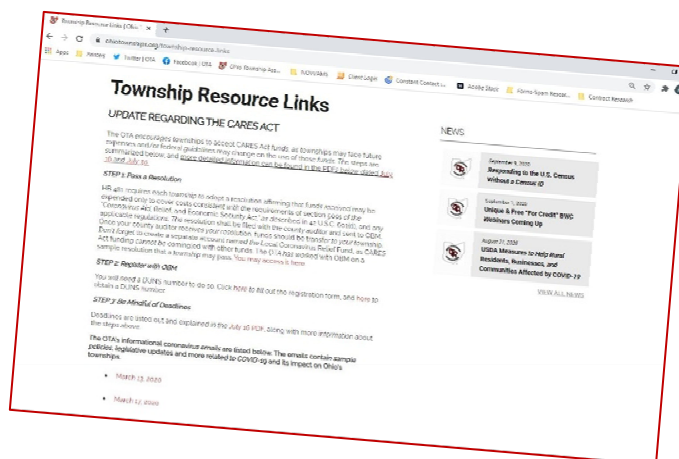


## 1 OTA Website

The OTA has created a page specifically dedicated to the CARES Act that contains links to all the information below and more. This page is consistently updated and contains all current information from the OTA.

*Where can I find it?*

[www.ohiotownships.org](http://www.ohiotownships.org) under the “COVID-19” tab, then click “Township Resource Links.”



## 2 Treasury Guidance

These documents are the basis for CARES Act eligible uses and explain what expenses local governments may fund with CARES Act revenue, particularly the Frequently Asked Questions document.

*Where can I find it?*

The US Treasury website (<https://home.treasury.gov/policy-issues/cares/state-and-local-governments>).

*\*The FAQ has been updated several times with new information – most recently on September 2<sup>nd</sup>. Please check the website frequently for the latest information.*

## 3 Office of Budget and Management (OBM) Guidance

This document attempts to reiterate and build off of Treasury Guidance for CARES Act use.

*Where can I find it?*

OBM’s Ohio Grants Partnership website ([grants.ohio.gov](http://grants.ohio.gov)). You can find this and other information under “Funding Opportunities” then “CARES Act – Coronavirus Relief Fund Local Government Assistance Program” (the same place where townships are required to register with OBM for CARES Act funding). OBM also takes questions on this funding via email at [grants@obm.ohio.gov](mailto:grants@obm.ohio.gov).

## 4 Auditor of State

The Auditor’s FAQ addresses questions that local governments may encounter related to COVID-19, including audit services, the CARES Act, UAN, and other topics.

*Where can I find it?*

The Auditor of State’s website ([https://www.ohioauditor.gov/resources/covid19/Coronavirus\\_new\\_FAQ\\_final.pdf](https://www.ohioauditor.gov/resources/covid19/Coronavirus_new_FAQ_final.pdf)).

## 5 County Prosecutor or Legal Counsel

There is no substitution for your county prosecutor or legal counsel for interpretations of law, including eligible uses under the CARES Act. The OTA highly recommends that you seek a legal opinion for uses that are not clearly outlined in Treasury guidance.

## 6 OTA Email Communications

In addition to the webpage listed above, the OTA often sends email communications regarding COVID-19, the CARES Act, and related legislative updates. If you are not receiving these communications and would like to be added to our lists, please email OTA Director of Governmental Affairs Marisa Myers at [myers@ohiotownships.org](mailto:myers@ohiotownships.org).