

Updated Coronavirus Relief Fund Guidance for State and Local Governments

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By: **Steven J. Blattner, Anthony Bedell, Carissa Faña, Omar Franco, Bert Gómez, Alfonso Lopez, Clarence Williams, Amanda L. Wood**



On Monday, September 21, the Department of Treasury's Office of Inspector General (OIG) released updated guidance in the form of an FAQ document ([click here to view](#)) regarding Coronavirus Relief Fund (CRF) reporting requirements for state and local governments receiving CRF funds. Certain changes made (see questions 63, 70-72)

appear to directly address bipartisan concerns raised about potentially contradictory language and the increased regulatory burdens on state and local governments.

On August 10, the Department of Treasury issued updated guidance clarifying that a government using CRF funds to meet payroll expenses for public health, public safety, health care, human services and similar employees may presume that the services provided by the aforementioned employees are in fact "substantially dedicated" to addressing the COVID-19 public health emergency. State and local governments relied on this presumption when making allocation decisions in times of dire financial stress due to the pandemic. However, on August 28, Treasury's OIG issued an [updated FAQ](#) of its own that introduced stringent and potentially counterproductive reporting and record retention requirements as well as called into question whether the presumption would be honored in light of the new requirements.

The September 21 updated FAQ cleans up the conflicting language between the two previous guidance documents. The new language more closely supports the August 10 language and clarifies that local governments "will not have to demonstrate/substantiate that a public health or public safety employee's function/duties were substantially dedicated to mitigating the emergency" as an administrative accommodation afforded them by Treasury. State and local governments will, however, be required to maintain records/documentation to support the payroll amounts reimbursed using CRF funds.