



# CARES Act: The End is Nigh!



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# ROADMAP

- General Overview of the CARES Act and the Coronavirus Relief Fund (CRF)
- The Final Countdown - Status of Subrecipient Agreements with FDEM
- Best Practices for Reporting and Closeout
- Where Do We Go From Here?



# BRIEF OVERVIEW OF THE CARES ACT

- The Coronavirus Aid, Relief, and Economic Security Act (CARES Act; P.L. 116-136), was signed into law on March 27, 2020.
- CARES Act consists of nearly \$2 trillion aimed at providing critical assistance to U.S. economy to address the impacts of the COVID-19 pandemic.
  - Title I – Keeping American Workers Paid and Employed Act
  - Title II – Assistance for American Workers, Families, and Businesses
  - Title III – Supporting America’s Health Care System in the Fight Against the Coronavirus
  - Title IV – Economic Stabilization and Assistance to Severely Distressed Sectors of the United States Economy
  - **Title V – Coronavirus Relief Funds (CRF)**
- Coronavirus Relief Fund provides \$150 billion in direct assistance for domestic governments.

PUBLIC LAW 116–136—MAR. 27, 2020

134 STAT. 281

Public Law 116–136  
116th Congress

An Act

To amend the Internal Revenue Code of 1986 to repeal the excise tax on high cost employer-sponsored health coverage.

Mar. 27, 2020  
[H.R. 748]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Coronavirus Aid, Relief, and Economic Security Act” or the “CARES Act”.

**SEC. 2. TABLE OF CONTENTS.**

The table of contents for this Act is as follows:

Sec. 1. Short title.  
Sec. 2. Table of contents.  
Sec. 3. References.

DIVISION A—KEEPING WORKERS PAID AND EMPLOYED, HEALTH CARE SYSTEM ENHANCEMENTS, AND ECONOMIC STABILIZATION

TITLE I—KEEPING AMERICAN WORKERS PAID AND EMPLOYED ACT

Sec. 1101. Definitions.  
Sec. 1102. Paycheck protection program.  
Sec. 1103. Entrepreneurial development.  
Sec. 1104. State trade expansion program.  
Sec. 1105. Waiver of matching funds requirement under the women’s business center program.  
Sec. 1106. Loan forgiveness.  
Sec. 1107. Direct appropriations.  
Sec. 1108. Minority business development agency.  
Sec. 1109. United States Treasury Program Management Authority.  
Sec. 1110. Emergency EIDL grants.  
Sec. 1111. Resources and services in languages other than English.  
Sec. 1112. Subsidy for certain loan payments.  
Sec. 1113. Bankruptcy.  
Sec. 1114. Emergency rulemaking authority.

Coronavirus Aid, Relief, and Economic Security Act.  
15 USC 9001 note.

# STATE ALLOCATION OF CRF

<b>FLORIDA ALLOCATION</b>	<b>\$8.328 BILLION</b>
<b>55%</b> Reserved for <b>State of Florida:</b>	<b>\$4.580</b> BILLION
<b>45%</b> Reserved for Eligible <b>Local Governments:</b>	<b>\$3.747</b> BILLION

- “Eligible Local Government” = Population > 500,000 (12 Counties). Received full allocations directly from Treasury.
- June 10, 2020 – State announces allocation of \$1.275 billion in CARES Act funds to 55 counties with a population below 500,000.

# DISTRIBUTION OF CRF FUNDS TO SMALL COUNTIES

- Small Counties (Population < 500,000) are subrecipients; receive funds as a pass through from FDEM.
- Three Phases:
  - Phase 1 (June 2020) – 25% Advance Funding
  - Phase 2 (September 2020) – 20% Advance Funding.  
**November 16, 2020 Deadline for Phase 1/2.**
  - Phase 3 – Remaining 55% on Reimbursement Basis.  
**December 3, 2020 Deadline for all Requests for Reimbursement.**

# ELIGIBLE/INELIGIBLE EXPENSES

- Eligible Expenses Defined in Section 5001(d), CARES Act:
  1. Are necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19);
  2. were not accounted for in the budget most recently approved as of the date of enactment [March 27, 2020] of this section for the State or government; and
  3. were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020

# EXAMPLES OF ELIGIBLE EXPENSES

- Medical and Public Health Expenses such as costs related to Personal Protective Equipment (PPE) and Testing.
- Disinfection/Sanitation efforts.
- Technological Improvements (i.e. hardware and software to facilitate telework/remote meetings).
- Food delivery expenses to residents such as senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
- Assistance to small businesses to reimburse costs of business interruption.
- Individual assistance to individuals and families directly impacted by COVID-19.
- Salaries and benefits for employees that are “substantially dedicated” to mitigating/responding to COVID-19.
- **Salaries and benefits for public safety and public health employees (presumed to be substantially dedicated)**

# PUBLIC HEALTH AND SAFETY PAYROLL EXPENSES

- In recognition of the particular importance of public health and public safety workers to . . . the public health emergency, Treasury has provided, as an administrative accommodation, that a . . . government may presume that public health and public safety employees meet the substantially dedicated test . . . This means that, if this presumption applies, work performed by such employees is considered to be a substantially different use than accounted for in the most recently approved budget as of March 27, 2020. All costs of such employees may be covered using payments from the Fund for services provided during the period that begins on March 1, 2020, and ends on December 30, 2020. See Treasury Guidance (Update Dated September 2, 2020).
- Treasury OIG confirms. See OIG-CA-20-028 at No. 63 (September 21, 2020).
- Payroll expenses and benefits include: 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.



# EXAMPLES OF INELIGIBLE EXPENDITURES

- Lost revenues.
- Construction of permanent structures and most major capital improvements.
- Salaries of employees not “substantially dedicated” to mitigating or responding to COVID.
- Damages covered by insurance or any other local, state, federal, or private source (no duplication of benefit).
- Reimbursement to donors for donated items or services.
- Workforce bonuses other than hazard pay or overtime.
- Severance pay.
- Legal settlements.



# “BUYER BEWARE” EXPENSES

- Assistance to Schools – Based on October 19 Treasury Guidance, must be limited to specific categories of expenses.
- Non-profits – Guidance states non-profits “may be used to distribute assistance.” Rules governing treatment of non-profits are unclear.
- Broadband Expansion – Only permissible if necessary for the public health emergency.
  - Wi-Fi hot spots = likely ok; major broadband expansion projects face major hurdles.



## WHERE WE ARE TODAY: FDEM “SOFT” DEADLINES

- November 16, 2020 – Phase I and II;
- December 3, 2020 – Phase III;
- The Final Countdown is on!





# BEST MANAGEMENT PRACTICES FOR REPORTING AND CLOSE OUT

# SUBRECIPIENTS

- Whether with Not-for-profits, small businesses, schools, municipalities and/or constitutional offices, if you have not received their final documents and backup documentation, start gathering.
- Make sure before closeout and even payment if possible that justifications and documentation is in place.
- If you are not sure that you will receive documentation in time, switch strategies use public safety expenditures for your requests to the state and then pay the subrecipient with reimbursed monies. (this is recommended by FDEM)
- Make sure the expenditures line up with what was originally within the expenditure plan for the entity, if it is not amend and clean up the documents.
- If you have a subrecipient who is giving out gift cards for food, there are a few extra hoops to jump through.

# PUBLIC SAFETY, PUBLIC SAFETY, PUBLIC SAFETY!



- List of the titles of everyone; payroll logs; pay policies; and employee timesheets.
- For overtime expenses and hazard pay: create a one-page justification/attestation pages that demonstrate that those expenditures are substantially dedicated to mitigating or addressing the public health crisis and that they meet the three prongs of the CARES Act.

# CONTRACTUAL SERVICES

- Review the contracts.
- Make sure the procurement method and any necessary justifications are spelt out.
- Have proof of payment and supporting documentation that contractual services were fulfilled.

# FORCE ACCOUNT MATERIALS AND OTHER SUPPLIES

- Make sure you have the invoice, receipts or supply logs;
- Proof of payments;
- Show method of procurements and any necessary justifications.





# TO FURTHER PROTECT THE COUNTY IN ANTICIPATION OF AUDITS

- Have the BOCC approve that all expenditures were “necessary expenditures” to mitigate or address the public health crisis in the form of a motion and vote that is recorded and that is then submitted to FDEM before close out.





## RECORD KEEPING

- Keep all records together and organized and do not destroy for at a minimum three year period from closeout, recommend keeping them a little longer just in case.

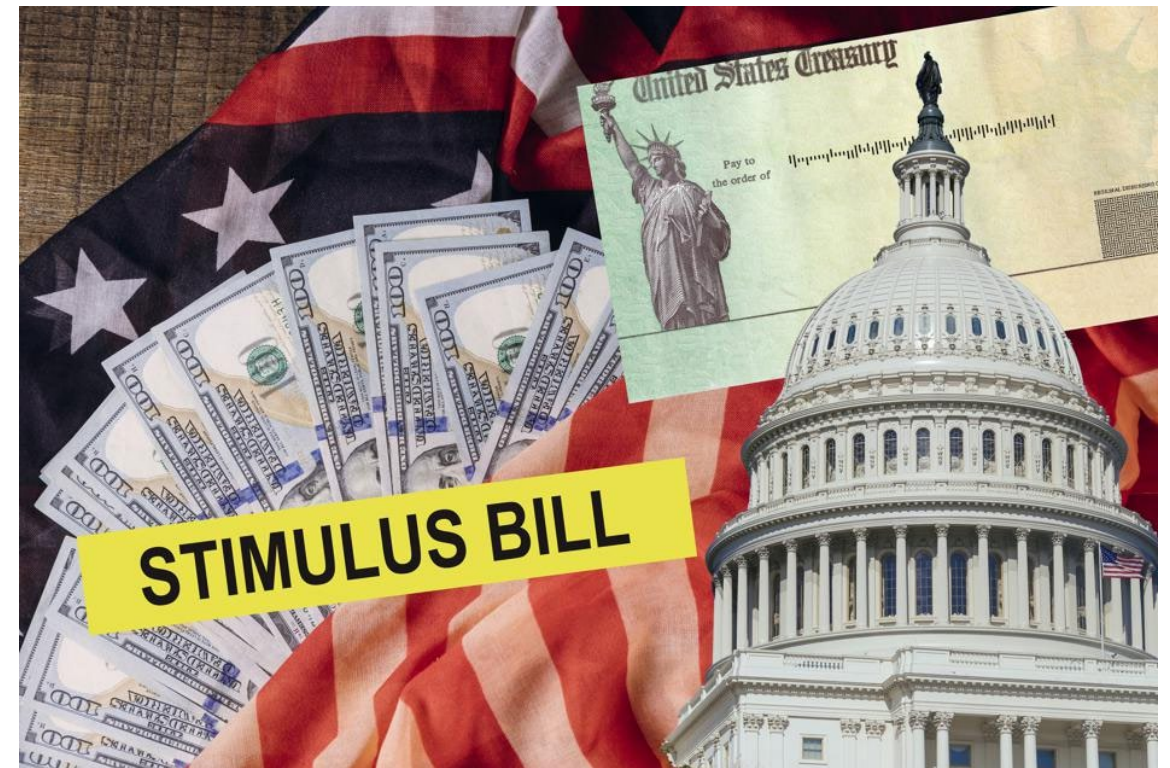
## ADDITIONAL REMINDERS



- Leave no funds on the table unspent – now is the time to evaluate the County’s plan, the expenditures that have been made and are projected to be made, and if there are any additional funds left on the table. If so, if the county has not already done so, consider public safety payroll expenditure reimbursement.
- Remember for any services and items purchased, they need to be in hand by or before December 30, 2020.

# WHERE DO WE GO FROM HERE?

- Additional Stimulus Packages:
  - Most have the following basic categories of economic stimulus involved:
    - A second round of checks to households;
    - A resumption of enhanced unemployment insurance benefits;
    - Aid to state and local governments; and
    - Support for small businesses (another round of paycheck protection program).



# WILL THERE BE ANOTHER STIMULUS BILL PASSED?

Most Likely



# WILL THERE BE MORE LOCAL GOVERNMENT AND STATE FUNDING?

There is a very good possibility.



# HOW DO WE PREPARE NOW IN CASE THERE IS ANOTHER STIMULUS TO THE LOCAL GOVERNMENTS?

1

Finalize and close out CARES Act.

2

Start planning:  
Public safety payroll expenditures; and  
Medical expenditures.

3

Organize now to better prepare the counties for any of the next rounds.



QUESTIONS?