

**Pennsylvania Emergency COVID-19 Response Funds
Frequently Asked Questions for Funding Distributed by DHS
Pursuant to Act 24 of 2020 (“Act 24”)**

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Questions	Response
What is the purpose of the Act 24 Coronavirus Relief Funds (CRF) and how do entities access the funds?	<p>The purpose of the CRF is to respond to the COVID-19 public health emergency (PHE). CRF should be used to pay for necessary expenses, lost revenue from COVID-19 business interruption for non-public entities, and COVID-19 related hazard or incentive pay incurred between March 1, 2020 and November 30, 2020. Necessary expenses covered under Act 24 include the costs of staff/personnel, training, housekeeping supplies, lease or purchase of medical supplies and equipment, personal protective equipment, and COVID-19 testing supplies.</p> <p>Act 24 CRF must be used in accordance with the U.S. Treasury Guidance Coronavirus Relief Fund Guidance. Entities who receive Act 24 CRF are required to certify that the funding will be used in response to the COVID-19 PHE as detailed in DHS’s notification letter, the U.S. Treasury , and the Coronavirus Relief Fund FAQs.</p> <p>Entities will be notified by the DHS of the amount they will receive under Act 24. Any funds that are not used by November 30, 2020 must be returned to the Commonwealth.</p>
When can entities expect to receive their CRF?	<p>The Governor’s Office of the Budget is working with the State Treasury to certify Act 24 requirements and start issuing funds for non-MA enrolled entities, once the necessary paperwork is received funds will be released. Entities should closely review any communication from DHS that pertains to these payments.</p>
Generally, what expenses related to cleaning facilities are allowable uses of Act 24 CRF?	<p>Expenses for disinfection of buildings, public areas, and other facilities used for providing services to consumers in response to the COVID-19 PHE, are allowable expenses. The U.S. Treasury Guidance and the Coronavirus Relief Fund FAQs as updated are good resources for understanding eligible expenses.</p>
Do entities have to comply with the federal Uniform Guidance?	<p>Yes. CRF payments are subject to the following requirements in the federal Uniform Guidance 2 C.F.R. Part 200 , including 2 C.F.R. § 200.303 (regarding internal controls), 2 C.F.R. §§ 200.330 through 200.332 (regarding subrecipient monitoring and management), and subpart F (regarding audit requirements).</p>
Can CRF be used to reimburse for expenses already incurred (dating back to March 1, 2020) or only for new expenses going forward?	<p>CRF can be used to reimburse COVID-19 costs incurred dating back to March 1, 2020, provided that the expenses meet the other requirements for use of the CRF. DHS requires entities to follow Generally Accepted Accounting Principles when determining cost incurred during the reporting period.</p> <p>Per the U.S. Treasury Guidance, these costs must have been incurred on or after March 1, 2020. 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).</p>
What triggers applicability of the Federal Funding Accountability and Transparency Act (FFATA)?	<p>If entities received 80 percent or more of their annual gross revenues AND \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements, then the public must have access to information about the compensation of the senior executives of the entity. Entities may use periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986 to meet these FFATA requirements. If entities do not file such reports, then the entities must advertise the information.</p>

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What happens to any interest that is earned on Act 24 CRF that are advanced to the entity?	Interest or other proceeds earned on Act 24 CRF can only be used as provided in the U.S. Treasury Guidance .
What types of costs are covered using Act 24 CRF?	There are two criteria to determine if a cost it is an allowable CRF expense: (1) the cost was a necessary expenditure incurred due to the COVID-19 PHE between March 1 and November 30, 2020 and, (2) the expense is related to the COVID-19 PHE. If both of these criteria are met, and the expense was not included in the entity’s most recently authorized budget. A cost is considered to have not been accounted for in the entity’s most recently approved budget if either: (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget; or, (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.
Can payroll expenses, which are already budgeted, be funded by Act 24 CRF?	Act 24 CRF can only be used for payroll expenses of staff substantially dedicated to mitigating or responding to the COVID-19 PHE.
What are allowable payroll expenses?	Allowable payroll expenses include salaries and benefits, hazard pay and overtime costs of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 PHE.
When can Act 24 CRF be used to cover payroll expenses of employees on leave?	Leave pay is an allowable expense under certain circumstances. To use Act 24 CRF to pay for leave, the leave must comply with the leave requirements in the Family First Coronavirus Relief Act (FFCRA). If the FFCRA requirements are met, the leave can be included as a COVID-19 cost regardless of whether it is called bonus leave, emergency leave, etc. If an entity cannot demonstrate that the leave was taken for reasons outlined in the FFCRA, then Act 24 CRF cannot be used to pay for leave.
Can Act 24 CRF be used for hazard pay and how should hazard pay be determined?	Hazard or incentive pay paid to employees as a one-time bonus, a percentage of base pay, or compensatory leave is an allowable COVID-19 cost. The type of hazard or incentive pay to issue to employees is up to the entity. General bonus to all employees that is not for hazard pay is not a COVID-19 cost and is not allowable. Hazard pay paid to employees is a form of payroll expense; thus, Act 24 CRF payments may only be used to cover hazard pay for individuals that meet the other requirements for CRF payroll expenses.

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What is considered a “healthcare related expenses attributable to coronavirus”?	<p>The term "healthcare related expenses attributable to coronavirus" is a broad term that may cover a range of items and services purchased to either prevent, prepare for, or respond to coronavirus, including:</p> <ul style="list-style-type: none"> • supplies used to provide healthcare services for possible or actual COVID-19 patients; • equipment used to provide healthcare services for possible or actual COVID-19 patients; • workforce training as it relates to COVID-19; • developing and staffing emergency operation centers; • reporting COVID-19 test results to federal, state, or local governments; • building or constructing temporary structures to expand capacity for COVID-19 patient care or to provide healthcare services to non-COVID-19 patients in a separate area from where COVID-19 patients are being treated; • acquiring additional resources, including facilities, equipment, supplies, healthcare practices, staffing, and technology to expand or preserve care delivery; and • revenue losses for non-public entities that are attributable to coronavirus. NOTE: Public entities, such as county nursing facilities, cannot include revenue losses.
Are Act 24 CRF considered State funds or federal funds and are there any special accounting requirements?	Act 24 CRF are federal funds and must be accounted for in the same manner as other federal funds.
If an entity encumbers funds, would this be considered incurred expenses under Act 24?	No. The U.S. Treasury considers "incurred" as money being spent, checks issued, payments made, etc. Therefore, fund encumbrances and/or obligations are not considered incurred expenses.
Can entities use Act 24 CRF to prepay for services or goods that will be provided or received after November 30, 2020?	No, Act 24 CRF cannot be used for prepayment of any goods or services that will be provided or received after November 30,2020.
What is the Catalogue of Federal Domestic Assistance (CFDA) number for Act 24 CRF?	The CFDA number assigned to Act 24 CRF is 21.019.
Can we use Act 24 CRF to cover a percentage of administration costs to oversee and administer these funds?	Yes, if the administrative expenses represent an increase over previously budgeted amounts and are limited to what is necessary. For example, an entity could use Act 24 funds to comply with the Single Audit Act, to establish recordkeeping requirements for Act 24 reporting, and to cover additional administrative costs related to the disbursement of funding to subgrantees.
What documentation must an entity retain for audit purposes?	An entity is responsible for compliance with the provision in 2 C.F.R. Subpart F for audit documentation and financial management. The entity must retain documentation to allow an auditor to conclude the purchase is needed, proper purchasing methods were followed and there is evidence the services or goods were received. Additionally, the entity must retain documentation that supports the COVID-19 related costs that were reported to DHS on the final Act 24 cost report.
How long does an entity have to retain documentation?	Entities that received Act 24 funding must retain documentation for COVID-19 related costs for at least 5 years.

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Are Act 24 CRF payments considered federal financial assistance for purposes of the Single Audit Act?	Yes, Act 24 CRF payments are considered to be federal financial assistance and are subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the federal 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.
Can entities deposit Act 24 CRF payments into interest bearing accounts?	Yes. If entities separately invest amounts received from Act 24 CRF, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the U.S. Treasury Guidance as updated on eligible expenses.
Can entities use Act 24 CRF to cover the expenses of an audit conducted under the Single Audit Act?	Yes, such expenses would be eligible expenditures, subject to the limitations set forth in 2 C.F.R. § 200.425 (regarding audit services).
Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Act 24 CRF payments to satisfy eligible expenses?	No. Recipients may use Act 24 CRF payments for any COVID-19 costs eligible under section 601(d) of the Social Security Act outlined in the U.S. Treasury Guidance as updated. Act 24 CRF payments are not required to be used as the source of funding of last resort. However, recipients may not use CRF payments to cover costs for which they have received reimbursement or where another payor is obligated to reimburse. Examples of other funding sources include payments from the CARES Act Provider Relief Fund, Families First Coronavirus Response Act, Paycheck Protection Program, Federal Communication Commission Telehealth Grant, funding received from the City of Philadelphia to cover COVID-19 related expenses, any future COVID-19 federal relief payments, increased Medicare payments for COVID-19, increased Medicaid fee-for-service and Medicaid Managed Care payments for COVID-19, increased payments from commercial insurers for COVID-19, grants from the state, local government, philanthropic entities to cover COVID-19 related costs, and any funds raised for COVID-19 specific purposes.
Are there prohibitions on combining a transaction supported with CRF payments with other CARES Act funding or COVID-19 relief federal funding?	No, however entities will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, costs that have been or will be reimbursed by any other source, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Act 24 CRF payments.
How will CRF be tracked?	<p>DHS will release a COVID-19 Cost Reporting Form to capture costs incurred by entities due to COVID-19 and track CRF use. DHS will use this completed form to demonstrate compliance with Act 24 CRF requirements.</p> <ul style="list-style-type: none"> • The reporting period is based on calendar year quarters January - March 2020 (Q1), April – June 2020 (Q2), July – September 2020 (Q3), and October – December 2020 (Q4). This means the costs submitted on the form must include actual COVID-19 costs incurred during each quarter. Where actual costs are not yet available, the entity may use an estimate for a portion or all of the quarter. • Forms are only being collected from entities that receive CRF directly from DHS. • Final Reports are due to DHS by December 21, 2020.

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<p>When must entities submit the COVID-19 Cost Reporting Form to DHS?</p>	<ul style="list-style-type: none"> • Most eligible entities must submit both an interim and a final cost report which reports the costs that the entity incurred against the Act 24 CRF. • If an interim report was required, providers were to include actual COVID related cost through the end of September with estimated costs for October and November. • All entities that received Act 24 CRF must submit a final cost report which is due December 21, 2020 and includes actual data for March 1 through November 30, 2020, as required by Act 24.
<p>Question added 10/20/2020: What is the difference between the Act 24 CRF and the Provider Relief Funds?</p>	<p>The CARES Act established and appropriated funds for the Coronavirus Relief Fund (CRF) and the Provider Relief Fund (PRF). CRF was distributed to state, local, and tribal governments, while PRF was distributed directly to entities from the Health Resource Service Administration. Act 24 of 2020 distributed a portion of the CRF funding Pennsylvania received to eligible entities. CARES Act funds must be used by state, local and tribal governments and eligible healthcare providers for necessary expenditures or lost revenues which are attributable to the coronavirus.</p> <p>Please see the corresponding attachment which clarifies reporting requirements for Act 24 CRF funding and the CARES Act Provider Relief Funds.</p>