

# COVID-19 FUNDING REPORTING AND COMPLIANCE GUIDE



**Department of Administration  
Office of Grant Procurement, Coordination, and Management**

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# TABLE OF CONTENTS

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<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>INTRODUCTION.....</b>	<b>1</b>
Coronavirus Preparedness and Response Supplemental Appropriations Act (March 4, 2020).....	1
Families First Coronavirus Response Act (March 18, 2020) .....	2
Coronavirus Aid, Relief, and Economic Security Act (March 27, 2020) .....	2
Paycheck Protection Program and Health Care Enhancement Act (April 24, 2020).....	2
<b>STATE AGENCY NEEDS AND BENEFITS .....</b>	<b>2</b>
<b>COMPLIANCE GUIDE DETAILS .....</b>	<b>3</b>
Pandemic Response Accountability Committee.....	3
Congressional Research Services Report.....	4
Office of Management and Budget.....	4
Federal Emergency Management Agency .....	4
U.S. Department of the Treasury Office of Inspector General.....	4
<b>SUMMARY.....</b>	<b>5</b>
<b>APPENDICES .....</b>	<b>6</b>
Appendix A: Congressional Research Services.....	6
Appendix B: Office of Management and Budget.....	6
Appendix C: Federal Emergency Management Agency (FEMA).....	7
Appendix D: U.S. Department of the Treasury .....	7



## EXECUTIVE SUMMARY

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In response to the Coronavirus Disease 2019 (COVID-19) global pandemic, federal funding was issued to states and other governments to support the health, safety, and economic well-being relating to the immediate effects of COVID-19. This funding was largely designed as emergency relief, and with it came federal guidance altering traditional grant spending requirements. This compliance guide summarizes the federal funding legislation which authorized funding to Nevada, demonstrates why this reference is needed as a result of the COVID-19 pandemic, and memorializes the various guidance issued throughout the pandemic to ensure state agencies have a compliance reference for COVID-19 funding (please note that while the Grant Office attempted to be as thorough in its search as possible, it may have missed specific agency guidance; therefore, it is imperative to check with all awarding agencies for any guidance and/or announcements relating to pandemic funding).

## INTRODUCTION

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Due to the magnitude of the impacts of the pandemic, COVID-19 funds were allocated by a wide swath of federal agencies (e.g. U.S. Departments of Transportation, Education, Labor, Commerce, Health and the National Endowments for the Arts, etc.). The wide spectrum of funding also potentially included reporting guidance that permitted flexibilities which differed by funding agency. This could prove challenging for recipients to locate applicable laws and regulations as a flood of information (health guidance, economic guidance, supplemental funding, federal agency closures, funding guidance, etc.) was released during a national emergency.

Whether emergency or non-emergency, federal funding must be administered properly to avoid compliance issues. Risks associated with not complying with requirements can result in audit findings, penalties of repaying funds, debarment, and future grants being withheld from Nevada's state government.

In the hopes of alleviating compliance issues and risks, and in order to give Nevada's state agencies a reference to use now and during upcoming audit cycles, this guide provides an overview of the highest-level reporting and compliance guidance, along with resources for COVID-19 funding provided to recipients of federal awards. Within a six-week period, four different federal bills provided billions of dollars in additional funding to states. To date, Nevada has received \$21.5 billion resulting from the bills, details of which can be found below. Reporting and compliance requirements are categorized by the federal body issuing the guidance.

## CORONAVIRUS PREPAREDNESS AND RESPONSE SUPPLEMENTAL APPROPRIATIONS ACT (MARCH 4, 2020)

Coronavirus Preparedness and Response Supplemental Appropriations Act provided \$8.3 billion in emergency funding for federal agencies to respond to the coronavirus outbreak. Of the \$8.3 billion, \$6.7 billion was designated for domestic response and \$1.6 billion for international response.

## FAMILIES FIRST CORONAVIRUS RESPONSE ACT (MARCH 18, 2020)

The Families First Coronavirus Response Act (Families First Act, or FFRCA) responded to the economic impacts of the ongoing COVID-19 pandemic. This act provided funds to address paid leave, established free coronavirus testing, supported strong unemployment benefits, expanded food assistance for vulnerable children and families, protected front-line health workers, and provided additional funding to states from the ongoing economic consequences of the COVID-19 pandemic.

The Families First Act was signed on March 18, 2020 to assist states by providing funding through existing federal programs. To date (November 2020), Nevada has received approximately \$429 million through the Families First Act.

## CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (MARCH 27, 2020)

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) authorized \$2 trillion to battle COVID-19 and its economic effects, including immediate cash relief for individual citizens, loan programs for small business, support for hospitals and other medical providers, and various types of economic relief for impacted businesses and industries. This act established the Coronavirus Relief Fund, a new program administered by the U.S. Treasury, that provided \$150 billion in relief to state and local governments.

The CARES Act addressed issues not covered in the Families First Act by providing funding through existing federal programs as well as through aid provided directly to state and local governments, individuals, businesses; and other entities to assist with health response, economic support to businesses, food security, and education. To date, approximately \$17.3 billion has been directed into Nevada through CARES, including \$1.25 billion in direct assistance to state and local governments.

## PAYCHECK PROTECTION PROGRAM AND HEALTH CARE ENHANCEMENT ACT (APRIL 24, 2020)

This \$484 billion relief bill was designed to replenish the Paycheck Protection Program (PPP) and expanded funding for small businesses, hospitals, and community and rural health centers. Additionally, it provided funding for testing and contact tracing to support reopening businesses and the economy while protecting the public.

## STATE AGENCY NEEDS AND BENEFITS

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This guide was created specifically to help mitigate compliance risk for state agencies resulting from COVID-19. The State of Nevada currently has an adverse finding on its most recent single audit report and in the past, Nevada has had recurring findings (especially for time-intensive and costly activities, such as subrecipient monitoring). A working group comprised of state agencies involved in centralized grant reporting and compliance activities determined that additional compliance support related to federal funding (including but not limited to grants) is needed as a result of the influx of COVID-19 federal funding.

To help assess state agencies' grant-related needs resulting from COVID-19, a grant needs assessment was conducted in May 2020 with 541 state employees in grant-related positions responding. The responses further supported the need for such a guide, as well as other compliance-related resources:

- For non-COVID 19 grants, 36.1% of respondents are not confident or slightly confident they have the resources they need
- For COVID-19 grants, confidence slips a bit further with 46.0% of respondents reporting they are not confident or slightly confident they have the resources they need
- Nearly half (45.1%) of respondents have no time to contribute to departmental or statewide coordination efforts
- When ranking additional resources that would assist respondents in properly managing all federal grants and payments resulting from COVID-19, “better understanding of grants and compliance” was ranked 5 out of 9

State agencies and subrecipients throughout Nevada are encouraged to use this compliance guide because it benefits the State in several ways:

- Provides centralized resource for program file review and audit preparation
- Provides agencies with communication and resources aimed to bolster confidence
- Reduces compliance risk
- Furthers grant management best practices
- Enhances relationships with federal agency partners, subrecipients, auditors, and other critical stakeholders
- Increases transparency and visibility of the government’s response to the COVID-19 pandemic

## COMPLIANCE GUIDE DETAILS

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Appendices A through D document the COVID-19 funding guidance released by select federal bodies in order to memorialize the specific guidance issued. State agencies and subrecipients throughout Nevada are encouraged to use this centralized resource for program file review and audit preparation as they thoroughly document all program and funding decisions, noting any applicable guidance. This guide also shares resources that have documented funding, fraud, and compliance challenges associated with COVID-19 federal funding streams.

Reporting and compliance requirements are categorized by the federal body issuing the guidance. Flexibilities granted and guidance issued by all individual federal awarding agencies have not been included, and so it is important for each awardee to check with each federal agency regarding COVID-19 funding announcements.

The shared set of regulatory compliance standards common to most federal grants is called the Uniform Guidance, also known as [2 CFR §200](#), which was updated significantly in August 2020 with many changes going into effect November 2020 (see the [Grant Office summary](#) of these changes). Each federal grant has specific program regulations that create additional compliance measures. Neither Uniform Guidance nor individual federal grant program regulations have been included in this compliance guide.

## PANDEMIC RESPONSE ACCOUNTABILITY COMMITTEE

To help oversee this flood of federal funding, the Pandemic Response Accountability Committee (PRAC) was established as a committee of the Council of the Inspectors General on Integrity and Efficiency by the CARES Act. The mission of the PRAC is to promote transparency of the coronavirus response funds provided in the CARES Act and three related pieces of legislation and provide oversight of those funds and the coronavirus response. The [PRAC’s website](#) is a valuable tool to utilize for pandemic oversight. This

website includes the [First Semiannual Report to Congress](#) that details known compliance challenges and other useful tools such as recommendations, lessons learned, investigative results, and fraud awareness.

## CONGRESSIONAL RESEARCH SERVICES REPORT

The Congressional Research Service serves Congress throughout the legislative process by providing comprehensive and reliable legislative research and analysis in a timely and objective manner. [Appendix A](#) contains a report on tracking federal awards, USAspending.org, and other informational/data sources:

- Background on USAspending.gov
- Other informational/data sources
- Examples of federal spending streams

## OFFICE OF MANAGEMENT AND BUDGET

The Office of Management and Budget (OMB) oversees the performance of federal agencies and administers the federal budget. [Appendix B](#) contains the four memoranda released to date from the OMB that provide the below guidance on financial management and audit requirements, and The Economic Impact of Coronavirus Response Funds second quarter report.

- Flexibility with system of award management (SAM) registration/recertification
- Waiver for notice of funding opportunities
- Pre-award cost and no-cost extensions on expiring awards
- Abbreviated non-competitive continuation requests
- Expenditures of award funds for salaries and other project activities
- Waivers from prior approval requirements
- Exemption of certain procurement requirements
- Extension of financial and other reporting and single audit submissions

## FEDERAL EMERGENCY MANAGEMENT AGENCY

The Federal Emergency Management Agency (FEMA) is an agency of the United States Department of Homeland Security. FEMA's primary purpose is to coordinate the response to a disaster that has occurred in the United States and that overwhelms the resources of local and state authorities. [Appendix C](#) contains a memorandum from FEMA that provides additional single audit guidance in accordance with guidance provided from the OMB as summarized above.

## U.S. DEPARTMENT OF THE TREASURY OFFICE OF INSPECTOR GENERAL

The Department of the Treasury (Treasury) Office of Inspector General (OIG) is responsible for monitoring and oversight of the receipt, disbursement, and use of Coronavirus Relief Fund (CRF) payments as authorized by Title VI of the Social Security Act, as amended by Title V of Division A of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). [Appendix D](#) contains two memoranda from the OIG regarding reporting and record retention, the Coronavirus Relief Fund Frequently Asked Questions, and the Coronavirus Relief Fund Frequently Asked Questions Related to

Reporting and Recordkeeping memorandum. The information provided in these documents is briefly outlined below.

#### MEMORANDUM OIG-CA-20-021 (JULY 2, 2020)

- Reporting requirements
- Projects/expenditure categories
- Certification and submission
- Reporting timelines
- Report preparation and training

#### MEMORANDUM OIG-CA-20-025 (JULY 31, 2020)

- Augments and clarifies the prime recipient's quarterly reporting requirements contained in memorandum OIG-CA-20-021
- CRF Guidance for State, Territorial, Local and Tribal Governments (updated as of 09/02/2020)
- Provides guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the CARES Act

#### MEMORANDUM OIG-CA-20-028 (AUG. 28, 2020)

- Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping

#### TREASURY'S CORONAVIRUS RELIEF FUND FREQUENTLY ASKED QUESTIONS (LAST UPDATED OCT. 19, 2020)

- Eligible expenditures
- Administration of fund payments

## SUMMARY


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With around half of state agencies' grant professionals indicating they were not confident that they had the resources they needed to manage COVID-19 grant funding in a survey completed in May 2020, the Nevada Grant Office wants this guide to serve as a resource that provides the most current regulatory guidance provided from various federal agencies in one spot. Providing this overview of the highest-level reporting and compliance guidance and resources for COVID-19 funding provided to recipients of federal funding to Nevada's state agencies aims to bolster confidence during upcoming audit cycles and reduce compliance risk.






# APPENDICES

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## APPENDIX A: CONGRESSIONAL RESEARCH SERVICES


Guidance	Document
Tracking Federal Awards: USAspending.gov and Other Data Sources Report	 Congressional Research Service Tracking

## APPENDIX B: OFFICE OF MANAGEMENT AND BUDGET






Guidance	Document
M-20-11 Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19)	 M-20-11.pdf
M-20-17 Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19) due to Loss of Operations	 M-20-17.pdf
M-20-20 Repurposing Existing Federal Financial Assistance Programs and Awards to Support the Emergency Response to the Novel Coronavirus (COVID-19)	 M-20-20.pdf
M-20-26 Extension of Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by COVID-19	 M-20-26.pdf
The Economic Impact of Coronavirus Response Funds – Second Quarterly Report (Nov. 13, 2020)	 Office of Management & Bud



## APPENDIX C: FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)

Guidance	Document
Administrative Relief and Other Flexibilities for Recipients and Subrecipients of FEMA Financial Assistance for Response to or Direct Impacts from Novel Coronavirus (COVID-19)	 FEMA_Extension_of _Administrative_Reli

## APPENDIX D: U.S. DEPARTMENT OF THE TREASURY

Guidance	Document
OIG-CA-20-021 Coronavirus Relief Fund Reporting and Record Retention	 OIG-CA-20-021_Tre asury_Office_of_Ins
OIG-CA-20-025 Coronavirus Relief Fund Reporting Requirements Update	 OIG-CA-20-025_Tre asury_Office_of_Ins
CRF Guidance for State, Territorial, Local and Tribal Governments (updated as of Sept. 2, 2020)	 CRF Guidance for State, Territorial, Loc
OIG Frequently Asked Questions OIG-CA-20-028	 Coronavirus-Relief- Fund-Frequently-As
OIG Frequently Asked Questions (updated as of Oct. 19, 2020)	 Coronavirus-Relief- Fund-Frequently-As