



# Non-ESSERF Idaho Rebounds Coronavirus Relief Funds

## Use of Funds FAQs

Response information provided is directly from the most current US Treasury documents as of \*July 8, 2020:

- [Guidance for State, Territorial, Local and Tribal Governments](#)
- [Frequently Asked Questions](#)

*\*Please note that these documents are regularly updated by the US Treasury.*

*The CARES Act provides that payments from the Fund may only be used to cover costs 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 the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and*
- 3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.*

### **1. Under what circumstances may these funds be used for salaries and benefits?**

***The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the “substantially dedicated” condition?***

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

***The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item,***

***allotment, or allocation. What would qualify as a “substantially different use” for purposes of the Fund eligibility?***

Costs incurred for a “substantially different use” include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty’s ordinary responsibilities. Note that a public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

***The Guidance states that the Fund may support a “broad range of uses” including payroll expenses for several classes of employees whose services are “substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” What are some examples of types of covered employees?***

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

***The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?***

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

**2. May these funds be used to backfill shortfalls in state government revenue?**

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

- 3. Are technology related expenses an allowable use of these funds?**
- 4. I need to provide my staff training on sanitation procedures and ways to minimize the spread of infectious diseases. May I use these funds to pay a trainer?**
- 5. May I also use these funds to pay for staff time to attend this training?**
- 6. My staff is in desperate need of professional development related to effective and engaging distance learning strategies and processes created by the COVID-19 situation. May these funds be used to pay for an outside/contract trainer to offer this professional development?**
- 7. May I also use these funds to pay for staff time to attend these professional development trainings?**
- 8. Can associated travel and meeting costs for COVID-19 training be reimbursed?**
- 9. How about COVID-19 related supplies and materials – can my LEA use these funds for this purpose?**
- 10. COVID-19 has greatly increased stress and anxiety for both our students and some staff. May I use these funds to provide mental health services and supports related to COVID-19 for staff and students?**
- 11. May these funds be used to provide a stipend for staff to attend meetings to develop and implement procedures and systems to improve the preparedness and response efforts?**

***Necessary expenditures incurred due to the public health emergency***

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures. Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

- Under the US Treasury guidance, the SCO review team completes two separate reviews of expenses and carefully review the justification provided by the individuals authorized to request reimbursement on behalf of the entity. The SCO review team decisions if the request meets the guidance and determines if the purpose of the expense is COVID-19 related.
- If, during the second review, the SCO review team cannot come to a decision, the request is submitted to the CFAC Subcommittee for review and approval. The CFAC Subcommittee meets at 4pm MT every Monday. The requesting entity is notified that their request will be reviewed and is invited to attend the meeting to provide more detail on the request and answer questions by the subcommittee members.

**12. Our budget was not approved by our local Board until April 1, 2020. May these funds be used for expenses that are also included in our budget as long as the expenditures meet the other two required criteria (necessary and COVID related and incurred between March 1 – December 30, 2020)?**

***Costs not accounted for in the budget most recently approved as of March 27, 2020***

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) 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. The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

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**For Questions Contact**

Federal Programs Department  
Idaho State Department of Education  
650 W State Street, Boise, ID 83702  
208 332 6800 | [www.sde.idaho.gov](http://www.sde.idaho.gov)