

CARES Act Funding to Tribes – Technical Assistance Guidance

Through the Coronavirus Relief Fund, the CARES Act provides payments to state, local, and tribal governments navigating the impacts of the COVID-19 outbreak. A total of \$8 billion was allocated to tribal governments nationwide for eligible expenses to provide urgent financial assistance. **Eligible tribal governments that did not provide the needed information by April 17, 2020, may not receive any payment from the CARES Act Fund.**

This CARES Act funding may only be used to cover costs that:

1. Are necessary costs incurred responding to the coronavirus disease (COVID–19) public health emergency;
2. Were not included in the tribe’s most recent budget that was approved on or before March 27, 2020 (the date of enactment of the CARES Act); and
3. Were incurred between March 1, 2020, and Dec. 30, 2020.

Spending Funds

The U.S. Department of the Treasury has posted guidance to tribal governments on the permissible uses for these funds on its website:

- <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>

The Treasury has also issued a frequently asked questions document, found here:

- <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>

Because tribal governments receiving assistance may be audited, it is very important to carefully track and account for the funds to establish that they were used in accordance with Treasury guidance. A tribe could be responsible for repaying the Treasury if any of the expenses are deemed ineligible. For example, funds cannot be used to fill shortfalls in government revenue. A tribe must be able to justify how the money was used for approved purposes.

Unspent Funds

If the funds are not spent by Dec. 30, 2020, any remaining money must be returned to the Treasury.

Recommendations for Tribal Governments

Before spending any CARES Act funds, it is recommended that the tribe consider taking the following steps:

- Develop a budget that includes direct expenditures incurred responding to the public health emergency since March 1, and expenditures that will likely be incurred before Dec. 30, 2020. Be sure that all expenses are justifiable as a response to the public health emergency.
 - *Note: Money must be spent prior to Dec. 30, 2020.*

- Develop program/project descriptions for the funding. For example, if the tribe wants to establish a grant program for businesses (which can include the tribally owned businesses), the grant program should be designed to meet the parameters of the Treasury guidance.
- If the community also has a municipal (city) government, see how they plan to use their CARES Act funds to ensure efforts aren't duplicated and to increase cooperation across local agencies.
- Obtain tribal council approval of the programs/projects and budgets. This approval should be by written resolution as a non-code ordinance. The written resolution might also include the following recitals:
 - The tribe's specific COVID-19 issues
 - Whether a public emergency was declared
 - Major steps taken to address the public emergency
 - Costs incurred to date
 - Estimated future costs (based on the budget)
 - FY 2020 approved budget amount
 - FY 2019 expenditures
 - Determination of types of programs necessary to respond to the public emergency
 - Business interruption impacts on tribally owned, or tribal member-owned businesses.
- Set up a separate chart of accounts to track revenue and specific expenditures related to CARES Act fund use. Creating separate bank accounts for these funds can help ensure adequate tracking. Save all receipts and documentation associated with CARES Act expenditures. This will support any reporting required or assist with the response to any audit.

Determining Eligible Costs

Tribal governments are responsible for making determinations as to what expenditures are necessary due to the COVID-19 public health emergency and do not need to submit any proposed expenditures to the Treasury for review/approval.

Examples of eligible expenditures include (but are not limited to):

- **Medical expenses**
 - All medical costs incurred in response to COVID-19, including
 - Funds used to support hospitals, clinics, and similar facilities with necessary expenditures incurred due to COVID-19
 - Cost of providing COVID-19 testing.
- **Public health expenses**
 - Expenses for communication of public health orders related to COVID-19 such as outreach material, printing and announcements
 - Expenses for enforcing public health orders

- Acquiring and distributing medical and protective supplies for medical personnel and other public service providers and safety workers, including:
 - Sanitizing products
 - Personal protective equipment (PPE)
 - Expenses for cleaning and disinfecting public areas and facilities
 - Technical assistance to local authorities
 - Public safety measures
 - Expenses related to quarantining individuals.
- **Payroll expenses for services dedicated to mitigating or responding to COVID-19**
 - Tribal employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency, including employees who were repurposed to perform these previously unbudgeted services. These employees include:
 - Public health employees
 - Health care employees
 - Human services employees
 - Other employees or new hires for COVID-19 response.
- **Expenses of actions to facilitate compliance with public health measures**
 - Food delivery to residents (e.g., senior citizens and vulnerable populations)
 - Expenses to facilitate distance learning in connection with school closings, including:
 - Technology improvements
 - Improvements to telework capabilities for public employees
 - Paid sick, family, and/or medical leave for public employees
 - Care for homeless populations
 - Recovery planning projects.
- **Expenses associated with the provision of economic support for those who have been impacted by COVID-19**
 - Development of and expenditures related to small businesses grants to reimburse the costs of business interruption during the COVID-19 pandemic
 - Expenditures related to a state, territorial, local, or tribal government payroll support program
 - Unemployment insurance costs for people who are unemployed because of COVID-19 (only if those costs are not reimbursed by the federal government)
 - Assisting individuals with enrolling in a government benefit program
 - Consumer grant programs to prevent eviction and homelessness because of COVID-19
 - Employment and training programs for individuals furloughed/laid off due to COVID-19
 - Emergency financial assistance to individuals and families experiencing loss of income because of COVID-19, including:
 - Assistance with overdue rent
 - Assistance with mortgage payments
 - Unforeseen funeral expenses
 - Grants to individuals facing economic hardship to subsidize utility fees.

- **Any other COVID-19-related expenses reasonably necessary to the function of government**

Rural Alaska Expense Ideas

Tribal governments are responsible for making determinations as to what expenditures are necessary due to the COVID-19 public health emergency and do not need to submit any proposed expenditures to the Treasury for review/approval.

- **Water/Sewer**
 - Water/sewer treatment and distribution improvements and preventive maintenance that helps maintain service
 - Must be previously unbudgeted, and the funds must be spent between March 1 and Dec. 30, 2020.
 - Providing service to shut-off homes
 - Funding cannot be used to repay a utility for overdue bills, but it can be used as a grant to an individual who is financially impacted by COVID 19 to maintain service. It can also be used to pay the labor and materials costs to reconnect the home to piped water and sewer.
 - Subsidy to the utility to support expenses incurred outside of its approved budget to ensure reliable water/sewer service
 - Additional time spent by utility operators to support COVID-19 response
 - Water and sewage hauling equipment
 - Heavy equipment necessary for water and sewer repairs
 - Washeteria and watering point repairs, including repair or replacement of washers and dryers
 - Repair of residential plumbing in order to maintain service
 - Acquiring and providing PPE to utility workers
 - Contributions to existing funding for water/sewer projects whose schedule or budget has been impacted by COVID-19 and will need additional funding to comply with COVID-19 travel mandates and be completed in 2020.
- **Public health expenses**
 - Sanitation supplies
 - Bleach and other disinfectants
 - Soap and hand sanitizer
 - Five-gallon buckets, wash basins, water hauling equipment
 - Laundry detergent, supplies for washeterias, subsidized laundry
 - Masks
 - Sewing machines, fabric and supplies for cloth mask making
 - PPE (gowns, masks, goggles, gloves)
 - Thermometers/no-touch thermometers
 - Mops, microfiber rags, mop buckets, etc.
 - HEPA filtration units, flexible hose
 - Sneeze guards (e.g., plexiglass) and other public partitions
 - Supplies to mark social distancing in public places (tape, signs, rope, etc.)

- No-touch trash cans for public places
- Printing costs associated with public education.

- **Indoor air quality improvements**
 - Air conditioner units
 - Box fans
 - Passive vents (e.g., Fresh 80s)
 - Range hoods and bathroom vents
 - Heat recovery and ventilation installation
 - Window repairs/replacement
 - Handwashing infrastructure (plumbing repair, parts, basins, etc.)
 - Sanitation supplies for residents
 - Woodstoves, Toyostoves, boiler maintenance.

- **Public health measures**
 - Food delivery program for elders/people with compromised health
 - Any repairs or improvements to facilities meant to help with COVID-19 response
 - Temporary medical facilities, quarantine housing, etc.
 - Tents and other temporary structures associated with the response/preparation
 - Increased disinfection and cleaning of public spaces
 - Purchase of PPE, including gowns, masks, goggles, gloves and other supplies that are intended to prevent the spread of infection for local first-responder groups
 - Expenses for public safety measures
 - Expenses for quarantining individuals.

- **Administrative**
 - Time spent by tribal employees/elected officials on COVID-19 response
 - Expenses associated with an audit conducted under the Single Audit Act
 - Payroll expenses for public safety, public health, laborers, health care, human services and other personnel dedicated to mitigating or responding to pandemic
 - Shipping costs
 - Expenses for increased employee telework and providing distance education needed in response to COVID-19 public health precautions
 - Computers, internet service
 - Direct financial assistance to families and local businesses impacted by loss of income due to COVID-19.

This document does not intend to provide legal or financial advice to local governments. Its content is meant to inform decision making and provide resources for discussion purposes only. It is not a substitute for obtaining your own legal and financial advice. Expenses should be necessary and allowable.