Commonwealth of Massachusetts

EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

STATE HOUSE, ROOM 373
BOSTON, MASSACHUSETTS 02133
TELEPHONE (617) 727-2040
WWW.MASS.GOV/ANF

MICHAEL
HEFFERNAN
SECRETARY

To: Chief Executives of Massachusetts Cities and Towns
From: Michael J. Heffernan, Secretary of Administration and Finance
Date: May 14, 2020
Re: Federal Coronavirus Relief Fund

The federal Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") includes funds for Massachusetts governments to use to pay costs incurred in responding to the COVID-19 outbreak. This memo describes how your city or town can access funds for that purpose.

Background

The CARES Act authorized $150 B through the Coronavirus Relief Fund for state and local governments, including $2.7 B for Massachusetts. Aside from large local government units (Boston and Plymouth County), funds have been sent in the first instance to the state, with the expectation that the state will use funds for its own expenses and those of municipalities.

The Executive Office for Administration and Finance ("A&F") has established an expendable trust to hold the federal funds and is authorized to spend from that trust on the basis of the federal law.

Eligible Uses

Under federal law, eligible uses must meet three conditions. They must be:

1. "Necessary expenditures incurred due to the public health emergency with respect to … COVID–19"
    a. Funds may not be used to substitute for lost revenue
2. Not budgeted as of March 27, 2020 when the CARES Act was enacted
    a. May not supplant state or municipal spending
3. Incurred on or after March 1, 2020, up to December 30, 2020

For further context on costs that A&F anticipates municipalities may incur, see the attached list of potential uses (Attachment A). If your municipality contemplates the use of funds outside these parameters, please contact the Division of Local Services (DLS) at LocalGovCaresAct@dor.state.ma.us and we will follow up to discuss your needs further.

Note that these eligible uses are as currently described in federal law and relevant guidance from the US Treasury. If these uses are modified by future federal actions, A&F will revisit the process and procedures described in this guidance.

Intersection with Other Funding Sources

Eligible uses of the federal Coronavirus Relief Fund may overlap with allowable uses of other federal grants and reimbursements. A&F will be working with the Command Center,[*] state agencies, and municipalities to optimize the use of federal funds.

As a condition of accepting federal Coronavirus Relief Fund money, municipalities must maximize Federal Emergency Management Agency ("FEMA") reimbursements. In other words, for costs that appear eligible under the federal Coronavirus Relief Fund as well as for FEMA reimbursement, municipalities must apply for FEMA reimbursement.[†] Federal dollars cannot under any circumstances be claimed twice for the same spending. DLS will issue further guidance on establishment of appropriate fund structures for both anticipated FEMA reimbursement and CARES Act funds.

To the extent that municipalities are unsure of their precise needs or need money for cash flow purposes, they are free to request funds from the federal Coronavirus Relief Fund, with the understanding that unspent amounts will need to be returned to the Commonwealth.

While this approach may be a little complicated due to possible multiple funding sources for similar expenses, providing municipalities with funding now eliminates or reduces FY20 deficits and helps with cash flow issues.

Available Funds

A&F has determined that initially 25% of total federal Coronavirus Relief Fund dollars to the Commonwealth will be directly available for municipalities. After subtracting amounts for Boston and Plymouth County municipalities, funds have been allocated in proportion to population. The attached chart indicates total eligible amounts for each municipality to be distributed in this FY20 round and a subsequent FY21 round later in the calendar year.

At this time, cities and towns are asked to estimate their FY20 COVID-19 expenses. Municipalities who request less than the amount for which they are eligible do not forego the opportunity to ask for additional funds at a later date. Municipalities will be asked to estimate their COVID-19 expenses in FY21 still within the same ceiling. In other words, the ceiling is the preliminary total amount available for FY20 and FY21, but at this point all you are being asked to do is estimate your FY20 COVID-19 expenses.

[*] The Command Center, headed by Health and Human Services Secretary Marylou Sudders, is the coordinating entity for the administration's response to the COVID-19 outbreak.

[†] For further information on the FEMA reimbursement process, please see MEMA's resource page: https://www.mass.gov/info-details/covid-19-federal-disaster-declaration.

Note that to the extent actual expenditures are less than the amount requested, at this time A&F expects that municipalities will be required to return the balance of unspent funds to the Commonwealth.

This approach is intended to get money out to municipalities quickly, and to allow adjustments over the coming months. A&F and DLS will continue to monitor the situation and may make additional funds available at a later date. Please contact DLS at LocalGovCaresAct@dor.state.ma.us if your FY20 expenditures are likely to exceed the eligible amounts in the first round. Municipalities located in Plymouth County should contact county officials for information about the Coronavirus Relief Fund.

Dispersal of Funds

Municipalities, through their chief executive officer, should complete the web-based application form. The application asks for estimates of FY20 incurred or anticipated expenses for each category listed in Attachment A. Based on these estimated amounts, the application will calculate an Estimated Request amount based on an assumed FEMA reimbursement rate for each category. Municipalities may request an amount above or below the Estimated Request using the Other Request field.

Further, municipalities must return the certification (see Attachment B) through the web-based application form and agree to document costs and to return unspent funds, if any. The application deadline is Friday, June 5, 2020, but submissions will be reviewed and approved on a rolling basis.

DLS will provide guidance regarding local accounting requirements (e.g., treatment of funds, general ledger entries, etc.) via a Bulletin.

Audit Provisions and Documentation

Federal Coronavirus Relief Fund expenditures are subject to audit by an Inspector General within the U.S. Department of the Treasury. Documenting that costs were eligible uses are essential to managing compliance risk and to minimizing the possibility that the costs are deemed ineligible, thereby requiring that the municipality and the state may need to return funds to the federal government.

A&F will establish a bimonthly reporting process to monitor incurred spending relative to estimates, and to ensure that documentation is adequate to minimize compliance risk.

For now, we ask that you document costs clearly with respect to the date and nature of the expense incurred so that together we can best manage resources in the interests of the residents of Massachusetts. In general, we will be asking that you document expenses with the same specificity as for FEMA reimbursements. A&F will follow up with further guidance as necessary.

Thank you for your cooperation as we work together to protect the interests of all our residents.

Attachment A- Potential Municipal Uses

Note that the state and municipalities should coordinate on appropriate funding source where more than one source is potentially available for the purpose. For purposes of calculating the Estimated Request, costs in categories denoted with an asterisk (*) are assumed to be ineligible for FEMA reimbursement but FEMA has final approval for eligibility determination. Cost in all other categories are assumed to be reimbursed by FEMA at a rate of 75 percent.

- Core municipal services, in a declared state of emergency
    - First responder costs, including:
        - Direct staffing costs – Overtime, additional hires, and/or backfilling staff who test positive
        - Quarantine/isolation costs for first responders who may be infected and should not put household members at risk – or who should be kept apart from potentially infected household members
            - Including hotel/motel space, sanitization of first responder vehicles, etc.
    - Temporary staff to backfill sick or quarantined municipal employees including:
        - City/town management
        - Phone/administrative support
        - Janitorial
        - Police, fire, EMT
        - Trash collection
        - Other
    - Staff for compliance and reporting associated with this funding
    - Accelerated telework capacity – infrastructure, subscriptions for meeting services, hardware (laptops)*
    - Hiring and training, including training for employees and contractors hired for COVID-19 response
    - PPE, including first responders, grocery store employees, gas station attendants and others who interact with public
    - Sanitation and Refuse Collection*
    - Food inspection*
    - Cleaning/disinfection of public buildings
        - Municipal buildings, including fire stations
        - Public housing
        - Specialized cleaning equipment
        - Air filtration / HVAC
    - School distance learning, to the extent not funded from other sources, including
        - Planning and development, including IT costs*
        - Incremental costs of special education services required under individual education plans (IEPs) in a remote, distance, or alternative location*
        - Food for families that rely on food through the school system*
    - Costs of debt financing related to COVID-19 investments – short-term borrowing and construction carrying costs*

    - Health insurance claims costs in excess of reasonably budgeted claims costs, and directly related to COVID-19 medical costs
- Expanded public health mission
    - Boards of health staffing needs – to the extent not addressed with public health funding
    - Use of public spaces/ building as field hospitals
    - Shelter for those who are homeless or otherwise have nowhere they can go without significant risk to themselves or other household members, and are at high risk of or recovering from COVID-19
    - Food banks / food pantries – need tied to COVID-19*
    - Travel expenses – for distribution of resources
    - Transporting residents to COVID-19 medical and testing appointments
    - Signage and communication including translation services
    - Educational materials related to COVID-19
    - Testing for COVID-19
- Services and supports to residents in their homes
    - Grocery and/or meals delivery – modeled on COA activities
        - Expanded participation
        - Replacement of meals delivery volunteer staff (often retirees)
    - Wellness check-ins with vulnerable elders*
    - Short-term rental or mortgage support*
    - Prescription drug delivery*

Attachment B - CERTIFICATION

I, [**Insert name of signatory**], am the chief executive of [**insert name of municipality**], and I certify that:

1. I have the authority on behalf of [**insert name of municipality**] to request payment from the Commonwealth of Massachusetts. At this time, I am requesting payment in the amount of [**$X – reflecting current estimate of eligible FY20 costs**] for fiscal year 2020 costs in connection with section 601 of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, div. A, Title V (Mar. 27, 2020) ("section 601").
2. I understand that the Commonwealth will rely on this certification as a material representation in making a payment to [**insert name of municipality**].
3. As required by federal law, [**Insert name of municipality**]'s proposed uses of the funds provided as payment in response to this request will be used only to cover those costs that-
    a. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
    b. were not accounted for in the budget most recently approved as of March 27, 2020, for [**insert name of municipality**]; and
    c. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.
4. I will report bimonthly on incurred expenses in a form prescribed by the Secretary of Administration and Finance, and will cooperate with the Executive Office for Administration and Finance in creating and retaining appropriate documentation to demonstrate that the proposed uses meet the requirements of section 601.
5. I will coordinate with the Executive Office for Administration and Finance in optimizing federal funds from section 601 and other potentially available federal sources. In particular, I will prioritize and coordinate application for FEMA reimbursement where available.
6. To the extent actual expenditures are less than the amount requested per item 1 above, I agree to return the balance of unspent funds to the Commonwealth. If the United States Department of the Treasury recoups funds from the Commonwealth based on a determination they were used by [**insert name of municipality**] in a manner not in compliance with section 601, I agree that the Commonwealth may recover funds from the city or town through an assessment or deduction from the city or town's periodic unrestricted local aid distribution.

By: _____

Signature:_____

Title:_____

Date:_____

Attachment C – Total Eligible Amounts (Round 1 and 2)

	Total Eligible Amounts		Total Eligible Amounts
Acton	$2,092,925	**Brewster**	$864,573
Acushnet	$932,814	**Brimfield**	$332,569
Adams	$712,131	**Brookfield**	$304,884
Agawam	$2,543,991	**Brookline**	$5,229,227
Alford	$43,290	**Buckland**	$165,314
Amesbury	$1,549,019	**Burlington**	$2,534,116
Amherst	$3,482,889	**Cambridge**	$10,489,930
Andover	$3,209,569	**Canton**	$2,083,315
Aquinnah	$28,831	**Carlisle**	$462,616
Arlington	$4,022,564	**Charlemont**	$109,769
Ashburnham	$559,512	**Charlton**	$1,207,633
Ashby	$285,134	**Chatham**	$543,113
Ashfield	$152,883	**Chelmsford**	$3,113,466
Ashland	$1,564,007	**Chelsea**	$3,540,815
Athol	$1,036,235	**Cheshire**	$277,199
Attleboro	$3,977,863	**Chester**	$122,024
Auburn	$1,479,631	**Chesterfield**	$110,915
Avon	$398,430	**Chicopee**	$4,900,538
Ayer	$719,801	**Chilmark**	$80,850
Barnstable	$3,919,936	**Clarksburg**	$145,477
Barre	$493,034	**Clinton**	$1,236,288
Becket	$152,530	**Cohasset**	$753,040
Bedford	$1,251,541	**Colrain**	$147,857
Belchertown	$1,334,330	**Concord**	$1,693,790
Bellingham	$1,514,898	**Conway**	$166,813
Belmont	$2,321,456	**Cummington**	$77,411
Berkley	$599,717	**Dalton**	$579,174
Berlin	$283,900	**Danvers**	$2,444,626
Bernardston	$186,387	**Dartmouth**	$3,024,770
Beverly	$3,730,552	**Dedham**	$2,233,641
Billerica	$3,860,335	**Deerfield**	$444,542
Blackstone	$822,252	**Dennis**	$1,224,209
Blandford	$111,091	**Dighton**	$695,731
Bolton	$473,990	**Douglas**	$789,454
Bourne	$1,752,069	**Dover**	$537,911
Boxborough	$563,215	**Dracut**	$2,799,060
Boxford	$737,699	**Dudley**	$1,040,555
Boylston	$413,330	**Dunstable**	$300,123
Braintree	$3,284,247	**East Brookfield**	$195,291

	Total Eligible Amounts
East Longmeadow	$1,436,781
Eastham	$429,465
Easthampton	$1,409,537
Easton	$2,208,601
Edgartown	$382,912
Egremont	$106,507
Erving	$156,410
Essex	$334,067
Everett	$4,133,302
Fairhaven	$1,418,971
Fall River	$7,905,205
Falmouth	$2,734,874
Fitchburg	$3,604,472
Florida	$63,833
Foxborough	$1,558,012
Framingham	$6,447,088
Franklin	$2,929,813
Freetown	$828,336
Gardner	$1,826,747
Georgetown	$773,495
Gill	$131,282
Gloucester	$2,680,387
Goshen	$93,810
Gosnold	$6,613
Grafton	$1,665,047
Granby	$559,600
Granville	$143,184
Great Barrington	$604,125
Greenfield	$1,539,408
Groton	$1,003,878
Groveland	$603,949
Hadley	$471,345
Hamilton	$713,982
Hampden	$460,235
Hancock	$61,806
Hardwick	$269,441
Harvard	$582,789
Harwich	$1,069,739
Hatfield	$289,543
Haverhill	$5,646,348
Hawley	$29,624

	Total Eligible Amounts
Heath	$61,894
Hinsdale	$169,458
Holbrook	$974,077
Holden	$1,689,558
Holland	$220,155
Holliston	$1,317,137
Holyoke	$3,558,273
Hopedale	$526,009
Hopkinton	$1,610,736
Hubbardston	$422,059
Hudson	$1,759,828
Huntington	$192,382
Ipswich	$1,242,459
Lancaster	$721,653
Lanesborough	$261,417
Lawrence	$7,086,568
Lee	$503,878
Leicester	$1,004,583
Lenox	$437,665
Leominster	$3,687,438
Leverett	$164,080
Lexington	$2,979,363
Leyden	$63,833
Lincoln	$599,276
Littleton	$902,926
Longmeadow	$1,395,430
Lowell	$9,845,688
Ludlow	$1,893,666
Lunenburg	$1,027,771
Lynn	$8,345,427
Lynnfield	$1,149,795
Malden	$5,381,404
Manchester By The Sea	$478,663
Mansfield	$2,121,580
Marblehead	$1,819,253
Marlborough	$3,511,279
Mashpee	$1,250,218
Maynard	$940,485
Medfield	$1,137,716
Medford	$5,093,008

	Total Eligible Amounts
Medway	$1,183,828
Melrose	$2,485,712
Mendon	$545,141
Merrimac	$614,970
Methuen	$4,469,927
Middlefield	$46,729
Middleton	$886,086
Milford	$2,566,121
Millbury	$1,222,533
Millis	$729,147
Millville	$287,868
Milton	$2,434,840
Monroe	$9,875
Monson	$781,607
Montague	$733,203
Monterey	$81,908
Montgomery	$76,706
Mount Washington	$13,930
Nahant	$310,703
Nantucket	$998,676
Natick	$3,194,228
Needham	$2,755,065
New Ashford	$19,838
New Bedford	$8,403,705
New Braintree	$90,725
New Marlborough	$128,549
New Salem	$89,931
Newbury	$629,870
Newburyport	$1,604,829
Newton	$7,838,462
Norfolk	$1,056,955
North Adams	$1,137,716
North Andover	$2,759,297
North Attleborough	$2,587,634
North Brookfield	$423,910
North Reading	$1,385,115
Northampton	$2,532,706
Northborough	$1,331,421
Northbridge	$1,475,222
Northfield	$263,798
Norton	$1,758,770
Norwood	$2,585,694
Oak Bluffs	$412,449
Oakham	$173,073
Orange	$675,717
Orleans	$511,196
Otis	$136,484
Oxford	$1,237,963
Palmer	$1,085,256
Paxton	$437,576
Peabody	$4,697,399
Pelham	$116,558
Pepperell	$1,072,208
Peru	$73,796
Petersham	$110,474
Phillipston	$154,382
Pittsfield	$3,750,037
Plainfield	$58,543
Plainville	$813,788
Princeton	$306,647
Provincetown	$260,976
Quincy	$8,338,902
Randolph	$3,032,793
Raynham	$1,261,944
Reading	$2,233,905
Rehoboth	$1,081,377
Revere	$4,745,274
Richmond	$125,374
Rockport	$643,183
Rowe	$34,738
Rowley	$560,570
Royalston	$112,502
Russell	$158,878
Rutland	$779,932
Salem	$3,840,497
Salisbury	$836,623
Sandisfield	$78,910
Sandwich	$1,783,280
Saugus	$2,502,641
Savoy	$60,219
Seekonk	$1,384,409
Sharon	$1,670,161

	Total Eligible Amounts		Total Eligible Amounts
Sheffield	$277,905	**Waltham**	$5,551,215
Shelburne	$164,080	**Ware**	$865,013
Sherborn	$382,736	**Warren**	$462,704
Shirley	$674,395	**Warwick**	$68,771
Shrewsbury	$3,347,993	**Washington**	$47,699
Shutesbury	$156,410	**Watertown**	$3,169,982
Somerset	$1,602,977	**Wayland**	$1,223,944
Somerville	$7,191,135	**Webster**	$1,501,232
South Hadley	$1,569,914	**Wellesley**	$2,616,201
Southampton	$546,287	**Wellfleet**	$240,610
Southborough	$896,577	**Wendell**	$78,117
Southbridge	$1,492,768	**Wenham**	$465,878
Southwick	$863,426	**West Boylston**	$724,298
Spencer	$1,055,456	**West Brookfield**	$333,715
Springfield	$13,668,817	**West Newbury**	$413,595
Sterling	$722,094	**West Springfield**	$2,534,557
Stockbridge	$167,783	**West Stockbridge**	$111,444
Stoneham	$2,003,964	**West Tisbury**	$255,775
Stoughton	$2,552,455	**Westborough**	$1,691,850
Stow	$636,042	**Westfield**	$3,674,830
Sturbridge	$849,937	**Westford**	$2,142,123
Sudbury	$1,730,468	**Westhampton**	$144,683
Sunderland	$322,606	**Westminster**	$695,114
Sutton	$842,090	**Weston**	$1,069,827
Swampscott	$1,342,530	**Westport**	$1,409,625
Swansea	$1,472,842	**Westwood**	$1,421,881
Taunton	$5,051,657	**Weymouth**	$5,088,952
Templeton	$718,831	**Whately**	$139,305
Tewksbury	$2,767,408	**Wilbraham**	$1,300,386
Tisbury	$362,457	**Williamsburg**	$219,449
Tolland	$44,877	**Williamstown**	$704,725
Topsfield	$584,287	**Wilmington**	$2,107,825
Townsend	$841,737	**Winchendon**	$961,998
Truro	$176,247	**Winchester**	$2,014,720
Tyngsborough	$1,094,867	**Windsor**	$77,147
Tyringham	$27,861	**Winthrop**	$1,647,678
Upton	$706,400	**Woburn**	$3,561,711
Uxbridge	$1,242,724	**Worcester**	$16,388,350
Wakefield	$2,392,431	**Worthington**	$104,655
Wales	$167,342	**Wrentham**	$1,054,839
Walpole	$2,222,620	**Yarmouth**	$2,055,630