

**State of Vermont Agency of Administration
Coronavirus Relief Funds (CRF)
Policy for Grant Programs and Operating Expenses
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Attachments:

- *CRF Grant Assurances*
- *CRF Grant Program Design Questionnaire*
- *1099-G Reporting Requirements*
- *Grant Award Template*
- *CRF Expense Questionnaire*
- *CRF Grant Program Data Standard – grant reporting for State transparency purposes*
- *CRF Treasury Reporting Template (issued on September 4, 2020) – grant and expense reporting for Treasury reporting requirements*

Other resources:

- *Treasury Reporting Webinar ([Watch Recording](#))*
- *Treasury Reporting and Recordkeeping FAQs (attached)*

Note: CRF Appropriation Recipients will report on grants in two different templates:

1. The CRF Grant Program Data Standard reporting is the required grant reporting template for the State's transparency reporting
2. CRF Appropriation Recipients are also required to report on their grants in the *CRF Treasury Reporting Template* to provide information needed for the State's required CRF reporting to the U.S. Treasury.

Introduction

The Agency of Administration has established the COVID-19 Financial Office (CFO) to oversee the distribution of money from the Coronavirus Relief Fund (CRF). The CFO is charged with warranting Vermont's compliance with the federal and state eligibility, documentation, and auditing conditions of the CRF.

You are receiving this CRF Process and Policy Guidance because you have been identified as a "CRF appropriation recipient".¹ This document provides guidance for CRF appropriation recipients that intend to use CRF funds for grants, operating expenses (including contracts and direct payments), and/or pass-through subawards to other entities or individuals. Recipients are required to follow the outlined process, reporting, and record-retention guidance for CRF, as described in this document. CRF appropriation recipients are also responsible for coordinating with their CRF pass-through entities, subrecipients, contractors, and/or beneficiaries to provide accurate reporting and documentation to the CFO on any CRF funds used for grant programs and/or operating expenses. CRF recipients are also required to ensure CRF process, reporting, and documentation compliance among their pass-through entities, subrecipients, contractors, and beneficiaries, in alignment with CRF guidance from the U.S. Department of the Treasury and the guidance set forth in this document.

In the event that the CFO requires additional information on CRF-funded grant programs, the CFO may reach out to CRF subrecipients directly for additional information, where necessary.

It is State policy, and the best practice for fellow Vermonters needing COVID-19 assistance, that CRF may only be used to cover expenses that are not eligible for FEMA-Public Assistance. All entities looking to use CRF funding to cover their expenses are required to apply for FEMA-PA funding for all FEMA-eligible costs first. If costs are FEMA-eligible and meet the minimum threshold required, CRF funds *shall not* be used to cover them. This policy is in place to ensure that CRF funds are available for those COVID-19 needs that are not eligible for other, more restrictive, sources of funding.

¹ Appendix 1 defines relevant terms, such as "CRF appropriation recipient", "prime recipient", "pass-through entity", "subrecipient", "contractor", and beneficiary". Appendix 2 lists Vermont's CRF appropriation entities.

Part 1: CRF Grants Issued by Government Agencies or Pass-Through Non-Profit Entities

A) Grant Program and Application Design Process

a. *Source of Funds:*

The funds must be identified as Coronavirus Relief Funds (CRF) CFDA # 21.019

b. *Required Data Elements:*

i. CRF Grant Program Data Standard (Transparency Reporting)

In addition to the information required by your CRF program, applicants must include all fields, as appropriate, from the “Program Information” and “Individual Applicant Info” or “Entity Applicant Info” sections of the *CRF Grant Program Data Standard* spreadsheet (attached). Please contact Justin Kenney [Justin.Kenney@vermont.gov] to discuss the Data Standard and how to ensure the correct information is being captured in your application documents or system to inform the State’s transparency reporting.

ii. Assurances

In addition to the assurances required by your CRF program, the grant application and/or grant award must include the State of Vermont CRF Assurances detailed in the *CRF Grant Assurances* document (attached). Granting entities can add to these assurances, but please do not alter or remove any of the listed assurances without prior approval from the Deputy Secretary of the Agency of Administration (Deputy SoA).

Grant programs that were implemented prior to the issuance of this guidance may have used different assurances than those outlined in the *CRF Grant Assurances* document; these assurances do not have to be changed retrospectively.

c. *Grant Design Questionnaire:*

Entities responsible for providing grants to individuals or entities must complete a *Grant Program Design Questionnaire* (attached) for each grant program and send it to Brad Ferland [Brad.Ferland@vermont.gov] and Justin Kenney [Justin.Kenney@vermont.gov] via email a minimum of 1 (one) week prior to launching the grant program, but preferably 2 (two) weeks before launching the program.

d. *Required Grant Mitigation Actions:*

The Deputy SoA will provide granting entities with a *Questionnaire Response Memo* that outlines alignment of the grant program with Treasury CRF guidance and suggests, where necessary, risk mitigation processes for granting entities to follow.

e. *Grant Design Approval:*

Upon issuance of the *Questionnaire Response Memo* by the Deputy SoA, the granting entity is approved to launch their grant program on the condition that they include the mitigation efforts as described in the Memo. The funds will then be released to the granting entity (or pass-through Agency) by the Deputy SoA.

B) Application Processing and Award

a. Application Processing & Progress Reporting (Transparency Reporting)

As the granting entity moves through the application review process, it must provide the “Application Processing” data elements of the *CRF Grant Program Data Standard* as close to real-time as is feasible or within 24 hours of any changes. The granting entity must also submit a weekly update on the status of applications. Please submit both the “Application Processing” data elements and the weekly status updates to the Agency of Administration (AOA) by emailing [ADM.CRFData@vermont.gov].

b. Award Processing & Progress Reporting (Transparency Reporting)

As the granting entity determines its approved program’s grant awards, it must supply the “Award” data elements of the *CRF Grant Program Data Standard* as close to real-time as is feasible, or within 24 hours of approving the grant award. Please report the data to AOA by emailing [ADM.CRFData@vermont.gov], unless other arrangements have been made. For those grants covering forward looking costs, provide an “Estimated Utilization Date” to note the date that the granting entity will reconcile actual costs vs. granted amount.

c. Award Letter

The granting entity must provide an Award Letter or Award Notification to the grant recipient. This letter/notification must include appropriate information on the grantee, the grant award amount, and the responsibilities of the grant recipient, as shown in the attached *Grant Award Template*.

In addition, granting entities must review the attached *1099-G Reporting Requirements* prior to initiating any grant payment in VISION to determine whether the grant payment must be reported on a 1099-G as a taxable grant and the required process to follow accordingly.

d. Exhaustion of Funds

For grants designed on a first come/first served basis, when available funds are exhausted, the granting entity must notify the Deputy SoA immediately, identifying any remaining unmet need.

C) Grant Tracker Module Entry

At this time, please do not enter CRF grants into the VISION Grant Tracker module. Entry into the Grant Tracker module may be required later, at which time more information will be provided.

Part 2: CRF Funding Provided to Non-Profit Entities or Government Agencies to Cover Operational Expenses

A) Expense Questionnaire

Entities with CRF funding intended to cover COVID-19 related operating expenses (contracts and/or direct payments) must complete an “Expense Questionnaire” and send it via email to Brad Ferland [Brad.Ferland@vermont.gov], Justin Kenney [Justin.Kenney@vermont.gov], and [ADM.CRFData@vermont.gov].

B) Eligible Expense Memo

The Deputy SoA will provide the CRF appropriation entity with an Eligible Expense Memo that outlines alignment of the anticipated expenses with CRF guidance and suggests (where necessary) unallowable expenses.

C) Expense Approval

Upon approval of the Expense Questionnaire and release of the Eligible Expense Memo by the Deputy SoA, the funds will be released to the CRF appropriation entity by the Deputy SoA.

Part 3: CRF Treasury Reporting Requirements for Grants and Expenses

A) CRF Treasury Reporting Template

The State is required to report to the U.S. Treasury on its use of CRF funds. To meet Treasury reporting requirements, all CRF Appropriation Recipients are required to report on their use of CRF using the attached *CRF Treasury Reporting Template*, issued on September 4, 2020, by sending the filled out template via email to Brad Ferland [Brad.Ferland@vermont.gov], Justin Kenney [Justin.Kenney@vermont.gov], and [ADM.CRFData@vermont.gov]. This template should include CRF reporting for contracts, grants, transfers, and direct payments that are funded using CRF. Currently, the State has not used CRF to issue loans to sub-recipients. If the State uses CRF to provide loans to sub-recipients in the future, we will issue an updated template that allows entities to report on loans.

B) Reporting periods and Deadlines

The State is required to report to the Treasury quarterly, based on the following reporting periods: March 1 – June 30, 2020, July 1 – September 30, 2020, October 1 – December 31, 2020, January 1 – March 31, 2021, April 1 – June 30, 2021, July 1 – September 30, 2021.

Vermont CRF Appropriation Recipients are required to report to the State on CRF spending for the reporting period of March 1 – June 30, 2020. However, for each subsequent quarter, all CRF Appropriation Recipients are required to submit interim

reports to the State to cover incremental monthly reporting periods that cumulatively add up to a final quarterly report for each quarter, as shown in the table below.

To facilitate the State’s quarterly reporting to the Treasury, CRF Appropriation Recipients are required to report their current quarter’s expenditures to date for each report. For any given quarter, CRF recipients must update their reported information to reflect their obligations and spending from the beginning of the quarter until the end of the Vermont reporting period, as outlined in the table below.

For example, for the September 25, 2020 report, CRF Appropriation Recipients will update their September 18, 2020 report (covering July 1 – July 31, 2020) to add CRF obligations and spending for the period of August 1 – August 31, 2020. The expenses reported in the September 25 report will therefore include expenditures from July 1 – August 31, 2020. Similarly, the report due on October 2, 2020 will include expenses for the quarter (July 1 – September 30, 2020).

However, for the report due on November 13, 2020, for example, the report will cover CRF obligations and spending for the period of October 1 – October 31, 2020 only, since it is part of a new quarter.

CRF Reporting Deadlines, using the *CRF Treasury Reporting Template*:

Reporting Period:	Due on:
March 1 — June 30, 2020 (4 months)	September 11, 2020
July 1 — July 31, 2020	September 18, 2020
July 1 — August 31, 2020	September 25, 2020
July 1 — September 30, 2020	October 2, 2020
October 1 — October 31, 2020	November 13, 2020
October 1 — November 30, 2020	December 11, 2020
October 1 — December 31, 2020	January 6, 2021
January 1 — January 31, 2021	February 5, 2021
January 1 — February 28, 2021	March 5, 2021
January 1 — March 31, 2021	April 5, 2021
April 1 — April 30, 2021	May 7, 2021
April 1 — May 31, 2021	June 4, 2021

April 1 – June 30, 2021	July 6, 2021
July 1 – July 31, 2021	August 6, 2021
July 1 – August 31, 2021	September 7, 2021
July 1 – September 30, 2021	October 6, 2021

Rows shaded in green mark the end of each quarterly reporting period.

C) Unexpended and Unobligated Funds

Supplementing the CRF Treasury Report due on December 11, 2020, all CRF Appropriation Recipients are also required on December 11 to report by email to the Commissioner of Finance and Management and the Deputy SoA the amount of any unexpended CRF funds, as well as any funds that have not been obligated for the rest of the CRF covered period, which ends on December 30, 2020. As part of this email, CRF Appropriation Recipients must file detailed estimates of the projected CRF expenses that are obligated past December 11, 2020, up to December 30, 2020.

By December 20, 2020, the Agency of Administration will withdraw any unexpended/unobligated funds for potential redistribution to other eligible COVID-19 priorities prior to the December 30, 2020 CRF expiration deadline. Exceptions will be granted only on a case-by-case basis, in writing, by the Deputy SoA.

Part 4: Required Records Maintenance for All CRF Funds (Grant Making Entities and Operating Expenses)

These record retention requirements are applicable to all prime recipients and their grantees and subgrant recipients, contractors, and other levels of government or non-profit entities that received transfers of Coronavirus Relief Fund payments from prime recipients. These recipients of CRF Funds must maintain the following materials for 5 (five) years after the final CRF payment is made:

1. general ledger and subsidiary ledgers used to account for (a) the receipt of Coronavirus Relief Fund payments and (b) the disbursements from such payments to meet eligible expenses related to the public health emergency due to COVID-19;
2. budget records for calendar years 2019 and 2020
3. payroll, time records, human resource records to support costs incurred for payroll expenses related to addressing the public health emergency due to COVID-19;
4. receipts of purchases made related to addressing the public health emergency due to COVID-19;

5. contracts and subcontracts entered into using Coronavirus Relief Fund payments and all documents related to such contracts;
6. grant agreements and grant subaward agreements entered into using Coronavirus Relief Fund payments and all documents related to such award;
7. all documentation of reports, audits, and other monitoring of contractors, including subcontractors, and grant recipient and subrecipients;
8. all documentation supporting the performance outcomes of contracts, subcontracts, grant awards, and grant recipient subawards;
9. all internal and external email/electronic communications related to use of Coronavirus Relief Fund payments; and
10. all investigative files and inquiry reports involving Coronavirus Relief Fund payments.

Appendix 1: CRF Recipients Definitions and Reporting Example

The table below defines the categorization of entities receiving CRF funding.

CRF Appropriation Recipients are responsible for accurate reporting and documentation on CRF spending, to include reporting to the State down to the first sub-recipient level only.

Please contact Justin Kenney [Justin.Kenney@vermont.gov] and Josiah Raiche [Josiah.Raiche@vermont.gov] if you have any questions on how to work with your subrecipients and contractors to ensure accurate reporting and documentation on CRF spending.

Entity Type	Definition	Source of Definition
Prime recipient	Prime recipients include all 50 States, Units of Local Governments, the District of Columbia, U.S. Territories, and Tribal Governments that received a direct payment from Treasury in accordance with Title V. State agencies and departments are considered part of the prime recipient as they are all part of the same legal entity that received a direct CRF payment from Treasury.	Treasury FAQs, Reporting and Recordkeeping, FAQ #1 and FAQ #5.
CRF Appropriation Recipient	An entity that receives CRF funding directly from the State of Vermont through a direct legislative appropriation and/or Excess Receipts Request to use CRF for grants and/or expenses.	State-defined
Pass-through entity	A state entity, local government, Indian tribe, institution of higher education, or nonprofit organization that provides a subaward to a subrecipient to carry out part of a Federal program.	Uniform Guidance 2 C.F.R. § 200
Subrecipient	For purposes of reporting, a subrecipient is any entity to which a prime recipient issues a contract, grant, loan, direct payment, or transfer of \$50,000 or more (can include contractors, for contracts of \$50,000 or more issued by a prime recipient).	Treasury FAQs, Reporting and Recordkeeping, FAQ #2.
Contractor	An entity that receives a contract, defined as: a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award (CRF).	Uniform Guidance 2 C.F.R. § 200

Beneficiary	An entity or individual that is neither a subrecipient nor contractor but receives CRF financial assistance.	State-defined
<p><u>Illustrative Example – DHCD Re-Housing Recovery Program</u></p> <p>Vermont Act 137 appropriated \$6,200,000 in CRF funding to the Agency of Commerce and Community Development (ACCD) Department of Housing and Community Development (DHCD) to implement a Re-Housing Recovery Program. DHCD will provide grants to five homeownership centers to administer a grant program where individual property owners can apply for CRF funds to renovate vacant and/or blighted property to make rental units available to people who face homelessness or the risk of homelessness.</p> <ul style="list-style-type: none"> • Appropriation recipient: ACCD (DHCD) • Prime recipient: ACCD (DHCD) • Pass-through entity: ACCD (DHCD) • Subrecipient: Homeownership centers that receive \$50,000 or more of CRF funding • Beneficiaries: Property owners who receive funding to renovate their vacant/blighted units <p>ACCD (DHCD) is responsible for reporting on its grants to homeownership centers, as well as the homeownership centers’ spending of CRF via grants and other administrative expenses, where applicable. ACCD (DHCD) will need to coordinate with the homeownership centers and may pass down the <i>CRF Treasury Reporting Template</i> to gather information from homeownership centers, in order to report to the State on subrecipient expenses. ACCD (DHCD) is ultimately responsible for accurate reporting of all CRF spending associated with this appropriation, using the <i>CRF Treasury Reporting Template</i>. ACCD (DHCD) is not required to report on CRF spending beyond the first subrecipient level. As such, for Treasury reporting purposes, ACCD (DHCD) is not required to report on property owners’ CRF spending in the <i>CRF Treasury Reporting Template</i>.</p>		

Appendix 2: Vermont CRF Appropriation Entities

Criminal Justice Training Council
Enhanced 911 Board
Green Mountain Care Board
Natural Resources Board
Agency of Administration
Agency of Administration - Department of Buildings & General Services - Gov'tal
Agency of Administration - Department of Buildings & General Services - Prop
Agency of Administration - Department of Finance & Management
Agency of Administration - Department of Finance & Management - FMS
Agency of Administration - Department of Human Resources - Gov'tal
Agency of Administration - Department of Human Resources - Prop
Agency of Administration - Department of Taxes
Agency of Agriculture, Food & Markets
Agency of Commerce & Community Development
Agency of Commerce & Community Development - Department of Economic Development
Agency of Commerce & Community Development - Department of Housing & Community Development
Agency of Commerce & Community Development - Department of Tourism & Marketing
Agency of Digital Services
Agency of Education
Agency of Human Services
Agency of Human Services - Department for Children & Families
Agency of Human Services - Department of Corrections
Agency of Human Services - Department of Corrections - Offender Work Program
Agency of Human Services - Department of Disabilities, Aging & Independent Living
Agency of Human Services - Department of Health
Agency of Human Services - Department of Mental Health
Agency of Human Services - Department of Vermont Health Access
Agency of Natural Resources
Agency of Natural Resources - Department of Environmental Conservation
Agency of Natural Resources - Department of Fish & Wildlife
Agency of Natural Resources - Department of Forests, Parks & Recreation
Agency of Transportation
Department of Financial Regulation
Department of Labor
Department of Public Service
Department of State's Attorneys & Sheriffs
Enhanced E911 Fund
Executive Office
Joint Fiscal Committee
Judiciary
Legislature

Military
Office of the Attorney General
Office of the Defender General
Office of the State Treasurer
Office of the Vermont State Auditor
Secretary of State
State Retirement System
Vermont Center for Crime Victim Services
The University of Vermont
The Vermont Student Assistance Corporation
Vermont Housing & Conservation Board
Vermont State Colleges