



OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
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**Department of the Treasury Office of Inspector General
Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and
Recordkeeping (Revised)¹**

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).² Treasury OIG was also assigned authority to recover funds in the event that it is determined a recipient of a CRF payment failed to comply with requirements of subsection 601(d) of the Social Security Act, as amended, (42 U.S.C. 801(d)). Recipient reporting and record retention requirements are essential for the exercise of these responsibilities, including our conduct of audits and investigations.

Beginning September 1, 2020, the prime recipient of CRF payments was required to report Coronavirus Disease 2019 (COVID-19) related costs incurred from March 1, 2020 to December 30, 2020 in the GrantSolutions portal. This document addresses frequently asked questions (FAQ) from CRF prime recipients regarding their reporting and record keeping requirements and supplements Treasury OIG's memorandums *Coronavirus Relief Fund Recipient Reporting and Record Retention Requirements* (OIG-CA-20-021; July 2, 2020)³ and *Coronavirus Relief Fund Reporting Requirements Update* (OIG-CA-20-025; July 31, 2020).⁴

A. Prime Recipients

1. *Who is a prime recipient?*

A prime recipient is an entity that received a CRF payment directly from Treasury in accordance with the CARES Act, including:

- All 50 States,

¹ These FAQs have been updated to (1) include beneficiaries throughout the document for reporting into the GrantSolutions portal; (2) clarify FAQ 57 on how corrections or modifications to prior quarter data should be made; (3) add new FAQs 29, 48–55, 69, 84–86; and (4) make minor adjustments to other FAQs.

² P. L. 116 136 (March 27, 2020)

³ <https://www.treasury.gov/about/organizational-structure/ig/Audit%20Reports%20and%20Testimonies/OIG-CA-20-021.pdf>

⁴ <https://www.treasury.gov/about/organizational-structure/ig/Audit%20Reports%20and%20Testimonies/OIG-CA-20-025.pdf>

- Units of local governments with populations over 500,000 that submitted required certifications to Treasury,
- The District of Columbia,
- U.S. Territories, and
- Tribal Governments

2. Who is a sub-recipient or a beneficiary?

Treasury has provided guidance on the applicability of Single Audit and 2 C.F.R. Part 200, Subpart F in response to question B.13 of its *Coronavirus Relief Fund Frequently Asked Questions* (FAQs).⁵ According to Treasury's FAQ, "the Single Audit Act and 2 C.F.R. Part 200, Subpart F regarding audit requirements apply to any non-federal entity, as defined in 2 C.F.R. 200.69, that receives payments from the Fund in the amount of \$750,000 or more. Non-federal entities include sub-recipients of payments from the Fund, including recipients of transfers from a State, territory, local government, or tribal government that received a payment directly from Treasury. However, sub-recipients would not include individuals and organizations (e.g., businesses, non-profits, or educational institutions) that are beneficiaries of an assistance program established using payments from the Fund. The Single Audit Act and 2 C.F.R. Part 200, Subpart F regarding audit requirements do not apply to beneficiaries."

While the Treasury definition above is used for Single Audit Act purposes, Treasury OIG requires that the prime recipient report on both a beneficiary and a sub-recipient in the GrantSolutions portal. Since there is no separate category to capture a beneficiary's data in the portal, the prime recipient must report on the beneficiary in the sub-recipient data fields. As such, for GrantSolutions reporting, a sub-recipient/beneficiary is any entity to which a prime recipient issues a contract, grant, loan, direct payment, or transfer to another government entity of \$50,000 or more.

3. The definition of a sub-recipient/beneficiary provided by Treasury OIG is different than the definition of a sub-recipient in the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal, 2 CFR Part 200 (Uniform Guidance). Which definition is a prime recipient expected to comply with?

The prime recipient must comply with both OMB's Uniform Guidance definition as it relates to the Single Audit Act and Treasury OIG's definition as it relates to reporting requirements for the GrantSolutions portal. See question 2 above.

⁵ <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>

4. *Who is responsible for reporting in the GrantSolutions portal, the prime or sub-recipient/beneficiary?*

Only the prime recipient is required to report COVID-19 related costs in the GrantSolutions portal.

5. *If the prime recipient distributes funds to an agency or department within the prime recipient's government, is the agency or department considered the prime recipient or a sub-recipient when funds obligated are \$50,000 or more?*

The agency or department is considered part of the prime recipient as they are all part of the same legal entity that received a direct CRF payment from Treasury. Obligations and expenditures that the agency or department incurs with the CRF proceeds must be collected by and reported in the GrantSolutions portal by the prime recipient as if they were obligated or expended by the prime recipient.

6. *If the prime recipient obligates funds to an entity that provides a public service on behalf of the prime recipient but the prime recipient is not financially accountable, is the entity considered the prime recipient or a sub-recipient/beneficiary when funds obligated are \$50,000 or more (e.g., discreetly presented component unit, quasi agency, etc.)?*

The entity is considered a sub-recipient/beneficiary of the prime recipient when funds obligated are \$50,000 or more. The prime recipient must report funds obligated to a sub-recipient/beneficiary as obligations of the prime recipient. The prime recipient must report the related expenditures of the sub-recipient/beneficiary, including associated projects and expenditure categories, in the GrantSolutions portal. If the prime recipient obligated less than \$50,000 to the sub-recipient/beneficiary, the prime recipient must report its obligations and the related expenditures of the sub-recipient/beneficiary in aggregate in the GrantSolutions portal.

7. *If a prime recipient enters into multiple obligations with an entity, each obligation being less than \$50,000 with no agreement (i.e., contract, grant, or loan), but the total obligations to the entity exceed \$50,000, is the entity considered a sub-recipient/beneficiary?*

The entity is considered a sub-recipient/beneficiary; however, since the obligations are below \$50,000, the prime recipient must report the multiple obligations to the entity and related expenditures in the aggregate section of the GrantSolutions portal.

8. *If a unit of local government received funds as both a prime recipient and as a sub-recipient/beneficiary does it have to track and report obligations and expenditures separately?*

Yes. For purposes of reporting in the GrantSolutions portal, the unit of local government is the prime recipient and must report obligations and expenditures related to the funds received directly from Treasury. As a sub-recipient/beneficiary of funds, obligations and expenditures related to the funds received from another prime recipient must be reported by the prime recipient in the GrantSolutions portal. It is recommended that the unit of local government, as a sub-recipient/beneficiary, report obligations and expenditure information to the prime recipient for its reporting purposes.

9. *If a third party is hired to review and approve sub-recipient/beneficiary reimbursement requests and supporting documentation, can the prime recipient place reliance on the reviews performed by the third party or is the prime recipient still required to review and approve 100 percent of all costs?*

It is up to the prime recipient as to how much it relies on third-party review of reimbursement requests. However, the prime recipient is responsible for maintaining documentation to support the use of CRF proceeds. Per Treasury's *Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments*, the direct (or prime) recipient is ultimately responsible for compliance with the limitation on the use of payments from the CRF.⁶

B. System for Award Management (SAM.gov) Registration

10. *Treasury OIG's memorandum, Coronavirus Relief Fund Reporting Requirements Update, states that "each prime recipient should ensure that any current or potential sub-recipients are registered in SAM.gov." Are all sub-recipients/beneficiaries required to register in SAM.gov?*

No, all sub-recipients/beneficiaries are not required to register in SAM.gov. This statement is a recommendation to help reduce the reporting burden on the prime recipient when entering sub-recipient details in the GrantSolutions portal. SAM.gov registration allows sub-recipient/beneficiary identifying and demographic details to be automatically populated in the portal after the prime recipient inputs a valid Data Universal Numbering System (DUNS) number assigned to the sub-recipient/beneficiary.⁷

⁶ <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>

⁷ A DUNS number is a unique nine-character number used to identify an organization.

11. What are the identifying and demographic data elements that automatically populate in the GrantSolutions portal if a sub-recipient/beneficiary is registered in SAM.gov with a valid DUNS number?

The following identifying and demographic data elements will automatically populate in the GrantSolutions portal if a sub-recipient/beneficiary is registered in SAM.gov with a valid DUNS number:

- Legal Name
- Address Line 1
- Address Line 2, if applicable
- Address Line 3, if applicable
- City Name
- State Code
- Zip + 4
- Congressional District
- Country Name
- Country Code
- Organization Type

12. If a sub-recipient/beneficiary does not have a DUNS number, can another unique identification number be used in the GrantSolutions portal to automatically populate sub-recipient/beneficiary details (e.g. Federal Employment Identification Number, Federal Tax Identification Number, etc.)?

No. The DUNS number is the only unique identification number that the GrantSolutions portal can associate with a SAM.gov registration in order to automatically populate sub-recipient/beneficiary details.

13. Where does a prime recipient direct a sub-recipient/beneficiary to obtain a DUNS number?

If a sub-recipient/beneficiary does not already have a DUNS number, it can call 1-866-705-5711 or access <http://fedgov.dnb.com/webform> to get a DUNS number assigned for free.

14. Where does a prime recipient direct a sub-recipient/beneficiary to register in SAM.gov?

Refer the sub-recipient/beneficiary to <https://sam.gov>.

15. *What if a sub-recipient/beneficiary is not registered in SAM.gov?*

For each sub-recipient/beneficiary that is not registered in SAM.gov, the prime recipient will be responsible for manually entering the following data elements in the GrantSolutions portal:

- Legal Name
- Address Line 1
- Address Line 2, if applicable
- Address Line 3, if applicable
- City Name
- State Code
- Zip Code
- Country Name (selection menu)
- Organization Type (selection menu)

16. *If a sub-recipient/beneficiary is registered in SAM.gov, is it required to report any information on a quarterly basis in SAM.gov?*

No. There are no reporting requirements for a sub-recipient/beneficiary to report Coronavirus Relief Fund information in SAM.gov; the prime recipient is required to report in the GrantSolutions portal on behalf of the sub-recipient/beneficiary.

17. *Is an entity that a prime recipient obligates a contract, grant, loan, direct payment, or transfer to another government entity of less than \$50,000 recommended to register in SAM.gov?*

No. Detailed information of an entity that the prime recipient obligates less than \$50,000 to will not be reported in the GrantSolutions portal. The obligations and related expenditure(s) to entities that the prime recipient obligates less than \$50,000 to will be reported in the aggregate.

18. *Is an individual to which a prime recipient obligates a contract, grant, loan, or direct payment required to register in SAM.gov?*

No. Detailed information of an individual that the prime recipient obligates any amount to will not be reported in the GrantSolutions portal; the obligations and related expenditure(s) to individuals will be reported in the aggregate.

C. Terminology

19. *What is an obligation?*

For purposes of reporting in the GrantSolutions portal, an obligation is a commitment to pay a third party with CRF proceeds based on a contract, grant, loan, or other arrangement.

20. What is an expenditure?

For purposes of reporting in the GrantSolutions portal, an expenditure is the amount that has been incurred as a liability of the entity (the service has been rendered or the good has been delivered to the entity). As outlined in *Treasury's Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments*, performance or delivery must occur between March 1 and December 30, 2020 in order for the cost to be considered incurred; payment of funds need not be made during that time (though it is generally expected that payment will take place within 90 days of a cost being incurred).

21. What is a project?

A project is a grouping of related activities that together are intended to achieve a specific goal (e.g. building a temporary medical facility, offering an economic support program for small businesses, offering a housing support program, etc.)

22. What is a contract?

A contract is an obligation to an entity associated with an agreement to acquire goods or services.

23. What is a grant?

A grant is an obligation to an entity that is associated with a grant agreement. A grant agreement is a legal instrument of financial assistance between the prime recipient and entity that is used to enter into a relationship to carry out a public purpose and does not include an agreement to acquire goods or services or provide a loan.

24. What is the primary place of performance for a contract or a grant?

The primary place of performance is the address where the predominant performance of the contract or grant will be accomplished.

25. What is the period of performance start date and end date for a contract or a grant?

The period of performance start date is the date on which efforts begin or the contract or grant is otherwise effective. The period of performance end date is the date on which all effort is completed or the contract or grant is otherwise ended.

26. What is a transfer to another government entity?

A transfer to another government entity is a disbursement or payment to a government entity that is legally distinct from the prime recipient. See the list of government entities in Question 27 below.

27. For transfers to another government entity, what type of entity is considered another government entity?

The following organization types are considered another government entity:

- State government
- County government
- City/Township Government
- Special District Government
- US Territory or Possession
- Indian/Native American Tribal Government (Federally Recognized)
- Indian/Native American Tribal Designated Organization

28. What is a direct payment?

A direct payment is a disbursement (with or without an existing obligation) to an entity that is not associated with a contract, grant, loan, or transfer to another government entity. If the direct payment is associated with an obligation, then the obligation and expenditure should be reported. If the direct payment does not involve a previous obligation, the direct payment will be recorded when the expenditure is incurred.

29. Are there definitions of the various expenditure categories?

The various expenditure categories were derived from discussion of examples of eligible uses of funds in Treasury's Guidance and FAQs. The prime recipient should refer to Treasury's Guidance and FAQs to determine which expenditure category best fits the expenditure reported in GrantSolutions.

D. Reporting

30. If a prime recipient received CARES Act funding from different Federal agencies, are all costs incurred related to CARES funding to be reported in the GrantSolutions portal, regardless of the funding source?

No. The GrantSolutions portal is only for the reporting of costs incurred related to CRF proceeds received from Treasury. Financial assistance that a prime recipient may have received from other sources are not to be reported in this portal.

31. Will CRF proceeds be subject to Federal Funding Accountability and Transparency Act (FFATA) reporting requirements? If so, what general information are recipients expected to report?

No, FFATA reporting is not required.

32. *Are prime recipients required to report on an accrual or cash basis?*

The prime recipient should report on an accrual basis, unless the prime recipient's practice is traditionally to report on a cash basis for all its financial reporting.

33. *Are the reporting requirements different for lump sum payments versus payments made on a reimbursable basis?*

No. Reporting of obligations and expenditures related to lump sum payments and reimbursed payments are the same.

34. *How should a reimbursable payment to a sub-recipient/beneficiary be reported?*

The prime recipient should first report the total expected obligation to the sub-recipient/beneficiary. As reimbursements are made to the sub-recipient/beneficiary, the prime recipient should report the reimbursements as expenditures by expenditure category.

35. *How should a lump sum payment to a sub-recipient/beneficiary be reported?*

The prime recipient must report the total obligation for the lump sum payment to the sub-recipient/beneficiary. As the sub-recipient/beneficiary uses the funds it received, the prime recipient is responsible for collecting and reporting on the uses as expenditures to the obligation by expenditure category.

36. *What level of sub-recipient/beneficiary data will prime recipients be required to report?*

The prime recipient is required to report on the first sub-recipient/beneficiary level only. For example: The prime recipient enters into a grant with Entity A to provide assistance to small businesses. For reporting purposes, the prime recipient must report the details of the grant with Entity A as an obligation. As Entity A provides assistance to small businesses, the prime recipient must report the assistance provided as expenditures to the obligation. However, details on the identity of the small businesses that received funding are not required.

37. *Is every obligation and expenditure required to be associated with a project?*

No. We understand that not all uses of funds will be associated with a project. If an obligation or expenditure is not associated with a project, in the GrantSolutions portal, the recipient would select “No Associated Project”.

38. *How did Treasury OIG determine the \$50,000 reporting threshold?*

Sec. 15011 of the CARES Act states that any entity that receives large covered funds (or funds more than \$150,000) is considered a covered recipient. All prime recipients of CRF proceeds are covered recipients as no prime recipient received payment less than \$150,000. Sec. 15011 further requires that each covered recipient (in this case, prime recipient) should submit a report that contains, among other items, detailed information on subcontracts or subgrants awarded by the covered recipient allowing for aggregate reporting on awards below \$50,000.

39. *Is the \$50,000 threshold on a project basis?*

No. The \$50,000 threshold dictates the specific sub-recipient/beneficiary that must be identified by the prime recipient on a detailed basis rather than in an aggregate total for related obligations and expenditures, regardless of any projects.

40. *What is the reporting structure?*

The reporting structure is as follows:

- A. Projects
- B. Obligations of \$50,000 or more and related expenditures
 - a. Contracts of \$50,000 or more
 - i. Obligations (individually reported) and links to projects, if applicable
 - ii. Related expenditures (individually reported) and link to projects, if applicable
 - b. Grants of \$50,000 or more
 - i. Obligations (individually reported) and link to projects, if applicable
 - ii. Related expenditures (individually reported) and link to projects, if applicable
 - c. Loans of \$50,000 or more
 - i. Obligations (individually reported) and link to projects, if applicable
 - ii. Related expenditures (individually reported) and link to projects, if applicable
 - d. Transfers to other government entities of \$50,000 or more
 - i. Obligations (individually reported) and link to projects, if applicable

- ii. Related expenditures (individually reported) and link to projects, if applicable
- e. Direct Payments of \$50,000 or more
 - i. Obligations (individually reported) and link to projects, if applicable
 - ii. Related expenditures (individually reported) and link to projects, if applicable
- C. Aggregate obligations and expenditures of contracts, grants, loans, direct payments, and transfers to other government entities below \$50,000 (reported in total by obligation type)
- D. Aggregate obligations and expenditures to individuals, regardless of the amount (reported in total)

41. If a prime recipient obligates funds to another government entity in the form of a grant, are the obligated funds to be reported as a transfer to another government entity or as a grant?

If a grant agreement in place, the obligation should be reported as a grant.

42. Treasury OIG's reporting timeline indicates six reporting cycles with three cycles for reporting periods of January 1, 2021 through September 30, 2021. If costs related to CRF proceeds must be incurred by December 30, 2020, why are there reporting cycles after December 30, 2020?

Treasury's *Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments* addresses the concept of incurred costs. Specifically, "for a cost to be considered to have been incurred, performance of services or delivery of goods must occur during the covered period (March 1, 2020 through December 30, 2020) but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred)." As a result, we determined to allow reporting through September 30, 2021 to ensure that the prime recipient has sufficient time to capture and report all expenditures incurred that were covered with CRF, including loan repayments, the related obligations of which must have occurred, and been reported, during the covered period. In addition, any final close out reconciliations and adjustments should occur during the time period before September 30, 2021.

43. Are forgivable loans to be reported as a grant or loan?

The forgivable portion of a loan should be reported as a grant. If the forgiving of the loan is conditional, then the loan must originally be reported as a loan for the total amount. At the time that the conditions are met, the portion of the loan that is forgivable, must be removed from the applicable loan section of the GrantSolutions portal and reported as a grant at that time.

To remove the forgivable portion of a loan that is for \$50,000 or more, the prime recipient should edit the loan to report a negative current quarter obligation to reduce the total loan obligation and reduce the loan amount by the forgivable portion. These amounts must agree. If this causes the loan's value to drop below \$50,000, the loan should be deleted from the "Loans $\geq$ \$50,000" section and reported in the "Aggregate of Loans Issued $<$ \$50,000" section, along with related payments.

To remove the forgivable portion of a loan reported in the "Aggregate of Loans Issued $<$ \$50,000" section, in which there were no other aggregate loan obligations for the reporting period, the prime recipient should report a negative "Current Quarter Obligation" to reduce the total aggregate loan obligations by the forgivable portion. If there were other aggregate loan obligations for the reporting period, the prime recipient should report a "Current Quarter Obligation" that is reduced by the forgivable portion.

To add the forgivable portion of the loan as a grant that is for \$50,000 or more, the prime recipient should add a new grant to the "Grants $\geq$ \$50,000" section and report the forgivable portion as the "Amount of Award" and as the "Current Quarter Obligation" along with other required information. These amounts must agree. If the forgivable portion of loan is less than \$50,000, the prime recipient should report the forgivable portion in the "Aggregate of Grants $<$ \$50,000" section.

44. For each reporting period, should a prime recipient report all costs that are eligible to be covered with CRF proceeds or only report costs for which the prime recipient has made a final determination to cover with CRF proceeds?

The prime recipient should only report eligible costs for which obligations have been made with CRF payments or specific determinations have been made related to using CRF funds.

45. Do the expenditure categories apply to aggregate reporting?

No. The only information collected during aggregate reporting is obligations (in total) and expenditures (in total) by obligation type (contract, grant, loan, transfer to another government entity, and direct payments) for obligations and expenditures below \$50,000 and for payments to individuals, regardless of amount.

46. For aggregate reporting of obligations to individuals, what information is required to be reported about the individuals?

None. The only information collected during aggregate reporting are obligations (in total) and expenditures (in total).

47. Where can a prime recipient access training materials or archived training sessions to assist with reporting?

Training materials, including a training webinar and GrantSolutions user guide, are available on Treasury OIG's website ([CARES Act](#)).

48. How should payroll costs be reported?

Payroll costs to individuals, and any other payments to individuals, regardless of the amount, should be reported in the Aggregate Direct Payments to Individuals section of the GrantSolutions portal.

49. Treasury's FAQs state that payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund's eligibility criteria and the Stafford Act. For a COVID-19 related cost that Department of Homeland Security's Federal Emergency Management Agency (FEMA) has determined is eligible under the Stafford Act, how should the non-federal cost share portion covered with CRF proceeds be reported?

The obligation type (i.e. contract, grant, loan, direct payment) and the dollar amount of the CRF portion, used to cover a prime recipient's non-federal cost share, will determine how this information should be reported in GrantSolutions. For example, if the non-federal cost share for a contract is funded by CRF proceeds of \$50,000 or more, the prime recipient should report the contractor as a sub-recipient/beneficiary in the GrantSolutions portal and enter the contract with an amount equal to the prime recipient's non-federal cost share covered with CRF proceeds. The expenditures associated with the contract should be entered only for the non-federal cost share portion in the GrantSolutions portal. If the non-federal cost share amount of the contract covered with CRF proceeds is less than \$50,000, the prime recipient should report the non-federal cost share in aggregate for related obligations and expenditures. Refer to Section C above for additional guidance regarding the various obligation types (i.e. contract, grant, loan, direct payment).

50. Treasury's FAQs state that prime recipients may deposit CRF payments into separate interest bearing accounts. How should interest earned and expended be reported?

The GrantSolutions portal does not collect data on interest earned and expended with CRF proceeds. The prime recipient is responsible for tracking interest earned and expended separately. In accordance with Treasury's FAQs, if a recipient separately invests CRF proceeds in an interest bearing account, the prime recipient must use the interest earned "only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act (42 U.S.C. 801(d)) and the Guidance

on eligible expenses.” The prime recipient is required to report information on interest earned and expended directly to the Treasury OIG upon request and in accordance with response to question 84.

51. *For loans that the prime recipient issues to borrowers, how should the borrower’s payment of loan interest to the prime recipient be reported?*

The GrantSolutions portal does not collect data on payments of loan interest from borrowers. The prime recipient is responsible for tracking payments of loan interest and subsequent uses of interest separately. In accordance with Treasury’s FAQs, “any amounts repaid by the borrower before December 30, 2020, must be either returned to Treasury upon receipt by the unit of government providing the loan or used for another expense that qualifies as an eligible expenditure under section 601(d) of the Social Security Act. Any amounts not repaid by the borrower until after December 30, 2020, must be returned to Treasury upon receipt by the unit of government lending the funds.” The prime recipient is required to report information on borrowers’ payments of loan interest directly to the Treasury OIG upon request and in accordance with response to question 85.

52. *If a prime recipient reports a contract in GrantSolutions that is subsequently modified to either increase the contract amount or reduce the contract amount, how should this be reported?*

Contract modifications should be reported for the quarter in which the contract modification is executed. For contracts of \$50,000 or more, the prime recipient should (1) enter a new “Current Quarter Obligation” to adjust the obligation amount upward or downward by using a positive or negative obligation value and (2) adjust the “Contract Amount” to the new obligation amount. The “Contract Amount and “Cumulative Obligation Amount” must agree. If the modification drops the contract value below \$50,000, then the contract should be deleted from the “Contracts > = \$50,000” section and reported in the “Aggregate of Contracts Awarded < \$50,000” section along with related expenditures.

To modify contracts reported in the aggregate, in which there were no other aggregate contract obligations for the reporting period, the prime recipient should report an upward or downward “Current Quarter Obligation” by using a positive or negative value. For contracts that were reported in the aggregate, in which there were other aggregate contract obligations for the reporting period, the prime recipient should report a “Current Quarter Obligation” that is adjusted upward or downward to report the modification.

53. If a prime recipient enters into multiple obligations with an entity, some obligations being more than \$50,000 and some obligations being less than \$50,000, how should the obligations be reported?

The prime recipient should first identify the entity in the portal as a sub-recipient/beneficiary. Each obligation to the entity of \$50,000 or more should then be reported individually by obligation type (e.g. contract, grant, loan, direct payment) in the respective $\geq$ \$50,000 obligation section of the GrantSolutions portal. Obligations to the entity of less than \$50,000 should be reported in the aggregate by the applicable obligation type.

54. If a prime recipient originally reported an obligation in the aggregate and in a subsequent reporting period, the obligation amount is increased to \$50,000 or above, how should the obligation be reported?

First, the obligation and any related expenditures should be reduced from the specific aggregate obligation and expenditure amounts. To record the obligation by type (i.e. contract, grant, loan, direct payment), the prime recipient should add the sub-recipient/beneficiary in the GrantSolutions portal (if not already included). Once the sub-recipient/beneficiary has been identified and/or added, the obligation should be reported by applicable obligation type $\geq$ \$50,000, along with the related expenditures.

55. When Treasury OIG approves a prime recipient's quarterly Financial Progress Report submission in the GrantSolutions portal, does this mean Treasury OIG agrees that information is true, complete, and accurate?

No, the Treasury OIG's approval of a quarterly Financial Progress Report submission is a confirmation that the submission has been completed and the data meets specific data entry validation checks. It is the responsibility of a prime recipient's authorized official to certify that the information provided in the quarterly Financial Progress Report is "true, complete, and accurate, and the information is provided for the purposes and intent set forth in the CARES Act, Public Law 116-136."

E. Reporting Corrections

56. If a prime recipient submitted information in its interim report of costs incurred as of June 30, 2020 and some information has changed, can we correct this information in the portal?

Yes. Keep in mind that for purposes of meeting the interim reporting requirement, reporting estimated costs incurred was allowed. For the first quarterly reporting period (March 1, 2020 through June 30, 2020) beginning September 1, 2020, the prime recipient must report actual obligations and expenditures in the

GrantSolutions portal. The amounts reported in the GrantSolutions portal and certified will be considered the official reporting.

57. If an error is identified or an addition/modification needs to be made, is there an ability to amend the previous submitted data?

Yes, if a prime recipient determines corrections or additions are necessary, the current GrantSolutions submission may be recalled, corrected, and resubmitted within the first 10 days after the quarter end. In addition, if a Treasury OIG reviewer determines corrections or additions are necessary, feedback will be provided and the submission will be returned to the prime recipient for correction and resubmission.

If an error is identified or a modification needs to be made after a report is already approved by the Treasury OIG, the prime recipient will need to make the modification or correction in the next quarterly reporting cycle. To correct or modify a prior period's data reported in the portal sections for amounts of \$50,000 or more, the prime recipient should add a current quarter obligation or expenditure in the applicable obligation type section (e.g. contract, grant, loan, direct payment) and report a positive or negative amount to adjust the amount accordingly. To correct or modify a prior period's data in an aggregate reporting section of less than \$50,000, the prime recipient should adjust a current quarter obligation or expenditure in the applicable obligation type section (e.g. contract, grant, loan, direct payment) by the correction or modification amount needed. The prime recipient is ultimately responsible for certifying that the quarterly submissions (with corrections/modifications) are true, complete, and accurate in the GrantSolutions portal.

The prime recipient will have until September 21, 2021 (Reporting Cycle 6) to make any corrections or modifications to data in the GrantSolutions portal. Refer to question 86 for modifications related to CRF reporting after the covered period of March 1 through December 30, 2020.

58. For forgivable loans originally reported as a grant, in a subsequent reporting period, if the recipient has not met the terms of forgiveness, should this obligation be changed to a loan in subsequent reporting period?

The forgivable loan should have originally reported as a loan in total until the conditions for loan forgiveness are met. See response to question 42.

59. *Is there a process to modify the prime recipient's nonfederal cost share reported in a prior quarter that has significantly changed due to the reimbursement from the FEMA public assistance programs?*

Yes, if a prime recipient determines corrections or additions to a quarterly submission are necessary and the quarterly submission has already been approved by Treasury OIG, changes to a previous quarterly submission may be made in the subsequent reporting submission. The prime recipient will not be able to re-open the previous quarter, but instead will make necessary adjustments in the open quarter. See response to question 57 on how to correct or modify a prior quarter's data and the deadline for making corrections and modifications and response to question 49 on reporting the prime recipient's nonfederal cost share. The prime recipient is ultimately responsible for certifying that the quarterly submissions (with corrections/modifications) are true, complete, and accurate in the GrantSolutions portal.

60. *If a prime recipient reports a cost allocated to the CRF in one reporting cycle, but subsequently determines to allocate that cost to a different funding source, can the prime recipient remove the obligations and related expenditures from its CRF reporting submission?*

Yes, if a prime recipient determines corrections or additions to a quarterly submission are necessary and the quarterly submission has already been approved by Treasury OIG, changes to a previous quarterly submission may be made in the subsequent reporting submission. The prime recipient will not be able to re-open the previous quarter, but instead will make necessary adjustments in the open quarter. See response to question 57 on how to correct or modify a prior quarter's data and the deadline for making corrections and modifications. The prime recipient is ultimately responsible for certifying that the quarterly submissions (with corrections/modifications) are true, complete, and accurate in the GrantSolutions portal.

Keep in mind, if a prime recipient has not used funds it has received to cover costs that incurred between March 1, 2020 and December 30, 2020, as required by the statute, those funds must be returned to the Treasury.

61. *Do we need a budget set up for FEMA Cares Act monies received or just to track and report monies used?*

The prime recipient is required to report obligations and expenditures of CRF proceeds. It is at the discretion of the prime recipient to determine a budget setup related to CRF payments.

F. Reporting Deadline

62. Can the CRF reporting submission deadline be modified to 30 days, as opposed to 10 days, after the quarter end?

We do not have the authority to change the quarterly recipient reporting deadline. Section 15011 of the CARES Act requires CRF reporting within 10 days after the end of each calendar quarter. Prime recipients' GrantSolutions data will be reported to the Pandemic Response and Accountability Committee (PRAC) for display on its website.

63. Can a prime recipient request extensions in filing its quarterly reports?

Yes, requests to extend the quarterly reporting deadline should be sent to Treasury OIG at CARES@oig.treas.gov for extension approval/disapproval. These decisions will be made on a case-by-case basis and with consideration given to extenuating circumstances.

64. If a prime recipient does not close its records by 10 days after the reporting period ends, how should these costs be reported?

Record closing times vary and may not align with the GrantSolutions reporting deadlines. If a prime recipient is not able to report within 10 days after the reporting period ends, the prime recipient is responsible for submitting the missing data in the GrantSolutions portal as part of the next quarter's reporting cycle.

G. GrantSolutions Portal

65. Is the portal still on schedule for becoming available on September 1, 2020?

Yes for most users. An upload feature will be available for select very high volume prime recipients. The upload feature will be available in December 2020 and timing of the schedule for those users has been communicated.

66. If a prime recipient's designated users already have accounts with GrantSolutions, does the prime recipient still need to submit each user's name, title, email address, and phone number to Treasury OIG?

Yes.

67. Can portal access be granted to users if they share the same email address?

No. In order to grant portal access, each user must have a unique email address; users cannot have the same email address.

68. Can a prime recipient designate more than two preparers?

No. The GrantSolutions portal can only sustain up to three users per prime recipient: two preparers and one authorizing official.

69. How can a prime recipient replace a designated user?

In order to replace a designated user, the prime recipient must email help@grantsolutions.gov to request a "Treasury OIG & PRAC Financial Status Report – Prime Recipient" user account request form. The form must be completed for both the new user and the user being replaced. For the user being replaced, the Request Type "Closure of Existing Account" should be selected on the request form. Once both forms have been completed, the prime recipient should email them to CARES@oig.treas.gov with explanation of the requested replacement.

70. Can the authorizing official also be one of the preparers?

No. The authorizing official cannot be both a designee/preparer and an authorizing official.

71. What is the best way to import data from a large number of sub-recipients/beneficiaries?

Only the prime recipient is required to report CRF related obligations and expenditures in the GrantSolutions portal. We are currently working with GrantSolutions regarding a data upload feature that will be available for certain prime recipients with the most sub-recipient/beneficiary activity. The upload feature will be available beginning December 2020. See question 65.

72. Will the portal provide a cumulated view of obligations and expenditures a prime recipient has reported?

Yes.

H. Record Retention/Audit

73. According to Treasury's FAQs, for administrative convenience, a State can presume that all 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 and, thus, can be covered by CRF. Will Treasury OIG or the PRAC ever question the applicability of this presumption in the audit context? If so, under what circumstances?

During its reviews and audits, Treasury OIG will allow the use of the administrative accommodation made in accordance Treasury's FAQs. See responses to related questions 80, 81, and 82.

74. How far down will the audit cascade?

The CARES Act provides that Treasury OIG is responsible for monitoring and oversight of the receipt, disbursement, and use of CRF payments. As such, all CRF payments received by the prime recipient are subject to audit. In this regard, an audit will be at the prime recipient level and may involve reviewing the prime's sub-recipients/beneficiaries. In the event that it is determined the prime recipient failed to comply with requirements of subsection 601(d) of the Social Security Act, as amended, (42 U.S.C. 801(d)), those funds will be recouped by Treasury OIG.

75. If providing small business assistance, do we have to receive actual documentation of the expense or business interruption? If we provide thousands of grants to small businesses and are audited, what would need to be provided to satisfy an audit?

The prime recipient of CRF payments must maintain and make available to Treasury OIG upon request all documents and financial records sufficient to establish compliance with subsection 601(d) of the Social Security Act, as amended (42 U.S.C. 801(d)). Records include, but are not limited to, general ledger and subsidiary ledgers used to account for (a) the receipt of CRF payments and (b) the disbursements from such payments to meet eligible expenses (e.g., expenses for supplies to address the public health emergency due to COVID-19 or operational expenses in the case of a grant providing economic support). The prime recipient is responsible for determining the level and detail of documentation needed from the sub-recipient/beneficiary of small business assistance to satisfy these requirements; however, there would need to be some documentation to demonstrate that the small business was impacted by the public health emergency and was thus eligible for the CRF funds.

76. Is there an audit plan at this point? For example, will there be interim audits, or only after Dec 30 or final reporting? Also, do you have criteria upon which you will decide which awards to audit?

Treasury OIG will perform monitoring of the prime recipient's receipt, disbursements, and uses of CRF payments and has developed procedures for this purpose. There are procedures for monitoring, reviewing, and approving the prime recipient's quarterly GrantSolutions submissions. Treasury OIG will also conduct desk reviews, for which other procedures have been developed, to further evaluate the prime recipient's documentation supporting the reported uses of CRF proceeds, as well as, results of other audits (i.e. Single Audit), among other things. The desk review may result in a site visit to the prime recipient for a more in-depth review. Based on results of the quarterly monitoring, desk reviews, site reviews, and our risk assessments, Treasury OIG will determine the need for a more in-depth audit. In addition to ongoing monitoring, Treasury OIG will initiate audits as deemed

necessary based on other referrals and ongoing risk assessments of the prime recipients.

77. Will Treasury OIG audit the sub-recipient/beneficiary as part of its prime recipient audit?

Treasury OIG may audit the sub-recipient/beneficiary as part of its audit of the prime recipient.

78. What cost principles will Treasury OIG be applying to determine allowability of costs during audit if Subpart E of 2 CFR 200 is not applicable to this funding?

The CARES Act and the Treasury guidance and FAQs will be used as criteria for allowability of costs. According to Treasury's FAQs, provisions of the Uniform Guidance, 2 C.F.R. sec. 200.303 regarding internal controls, 2 C.F.R. sec. 200.330 through 200.332 regarding sub-recipient monitoring and management, and subpart F regarding audit requirements are applicable to CRF payments. Subpart E is not applicable. Although a beneficiary is considered a sub-recipient for purposes of reporting in the GrantSolutions portal, the provisions of the Uniform Guidance above are not applicable to the beneficiary.

79. How does the CRF audit relate to Single Audit?

Treasury OIG has jurisdiction to perform audits of all expenditures of CRF funds (of any dollar amount). CRF payments are considered to be Federal financial assistance subject to the Single Audit Act (31 U.S.C. sec. 7501-7507). The related provisions of the Uniform Guidance, 2 C.F.R. sec. 200.303 regarding internal controls, sec. 200.330 through 200.332 regarding sub-recipient monitoring and management, and subpart F regarding audit requirements provides detailed information. The results of a prime recipient's Single Audit will be evaluated as part of the Treasury OIG's desk reviews and any audits initiated.

80. To what level of documentation will a government be held to support the reimbursement of public health and safety payroll that was "presumed" to be substantially dedicated to mitigating the emergency?

The recipient of CRF payments must maintain and make available to Treasury OIG upon request, all documents and financial records sufficient to establish compliance with subsection 601(d) of the Social Security Act, as amended (42 U.S.C. 801(d)). Documents/records include payroll records for the covered period March 1 through December 30, 2020. Records include, but are not limited to (1) general and subsidiary ledgers used to account for the receipt of CRF payments and subsequent disbursements; and (2) payroll, time, and human resource records to support costs incurred for payroll expenses. Please refer to the Treasury OIG memorandum,

Coronavirus Relief Fund Reporting and Record Retention Requirements (OIG-20-021; July 2, 2020). These document requirements apply to supporting payroll reimbursement amounts using CRF proceeds and not to support the presumption that public health and safety payroll is substantially dedicated to mitigating the emergency.

a. Will a government have to demonstrate/substantiate that a public health or public safety employee's function/duties were in fact substantially dedicated to mitigating the emergency?

No, the government will not have to demonstrate/substantiate that a public health or public safety employee's function/duties were substantially dedicated to mitigating the emergency but must maintain records and documentation supporting payroll amounts reimbursed using CRF proceeds. As indicated in Treasury's Guidance, as an administrative accommodation, governments may presume that public health and public safety employees meet the substantially dedicated test, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise. Treasury's FAQs add that entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020.

b. For payroll that was accounted for in the FY2020 budget but was then "presumed" to be substantially dedicated to mitigating the emergency, will the government have to demonstrate/substantiate that a public health or public safety employee's function was a substantially different use?

No, the government will not have to demonstrate/substantiate that a budgeted public health or public safety employee's function was a substantially different use. As stated in Treasury's Guidance, within the category of substantially different uses, Treasury has included payroll and benefits 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. The Treasury OIG does require the government to maintain budgetary records to support the fiscal years 2019 and 2020 budgets.

81. Is the government required to perform any analysis or maintain documentation of the "substantially dedicated" conclusion for payroll expenses of public safety, public health, health care, and human service employees?

No, the government is not required to perform an analysis or maintain documentation of the substantially dedicated conclusion for payroll expenses of

public safety, public health, health care, and human service employees. As indicated in Treasury's Guidance, as an administrative accommodation, governments may presume that public health and public safety employees meet the substantially dedicated test, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise. Please refer to response to question 80.

82. Treasury's FAQs indicate 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."

a. What level of documentation needs to be maintained to indicate the chief executive did not determine "specific circumstances indicate otherwise?"

No documentation of the negative assurance of the chief executive (or equivalent) is required.

b. Is the absence of documentation indicating "specific circumstances indicate otherwise" sufficient, or does an affirmative decision need to be documented?

See previous responses.

83. Are CRF funds required to be accounted for in a separate fund of the government? At least one state thinks it should be.

These are individual management decisions, however, the documentation required above should be easily understandable by the auditors.

84. If a recipient separately invests CRF proceeds in an interest bearing account, will earned interest on these proceeds be part of an audit of the prime recipient? If so, what level of documentation will be required?

Yes. The prime recipient is responsible for tracking interest earned on CRF proceeds and expended outside the GrantSolutions portal, which does not capture this information. The prime recipient must maintain records (i.e. bank statements, general ledger) to sufficiently support the receipt and uses of interest for COVID-19 related expenditures to cover eligible expenses incurred by December 30, 2020. The prime recipient is required to report interest earned and expended along with supporting records upon request from the Treasury OIG. In accordance with Treasury's FAQs, the prime recipient must use the interest earned or other proceeds these investments earn only to cover expenditures incurred in accordance with

section 601(d) of the Social Security Act (42 U.S.C. 801(d)) and the Guidance on eligible expenses.

85. Will interest received from borrowers on loans made with CRF proceeds be subject to audit by Treasury OIG? If so, what level of documentation will be required?

Yes. The prime recipient is responsible for tracking interest paid by borrowers of loans using CRF proceeds and subsequent uses. GrantSolutions portal does not capture this information. The prime recipients must maintain records (i.e. bank statements, loan agreements, general ledger) to sufficiently support the receipt and uses of interest. The prime recipient is required to report interest received and expended along with supporting records upon request from the Treasury OIG.

I. Recoupment

86. If Treasury OIG determines that a prime recipient has failed to comply with 601(d) of the Social Security Act, it has the authority to recoup the amount of funds used in violation of the subsection. Is there an appeal process for prime recipients if Treasury OIG makes such a determination?

Yes. There are opportunities for a prime recipient to appeal a determination of noncompliance by the Treasury OIG, both before and after the covered period ends on December 30, 2020.

a. Before December 30, 2020

If the Treasury OIG makes a determination, before December 30, 2020, that a certain amount of CRF proceeds were not used in accordance with 601(d) of the Social Security Act (42 U.S.C. 801(d)), the prime recipient would need to either recover such funds and redeploy them for COVID-19 related expenditures or demonstrate that other eligible expenses incurred during the covered period of March 1 through December 30, 2020 would qualify as allowable. The Treasury OIG's determination will be based on audit, investigation, or other review that will be documented and reported to the prime recipient. As part of the reporting process, the prime recipient will have an opportunity to comment and/or dispute the Treasury OIG's determination. The Treasury OIG will consider the prime recipient's feedback and any additional information provided in making its final determination on the use of CRF proceeds. Once Treasury OIG makes a final determination, it will request a written response from the prime recipient to include the corrective action(s) to remedy the noncompliance.

b. After December 30, 2020

If the Treasury OIG makes a determination, after December 30, 2020, that a certain amount of CRF proceeds were not used in

accordance with 601(d) of the Social Security Act (42 U.S.C. 801(d)), the Treasury OIG may (1) seek recoupment of funds, or (2) allow the prime recipient to demonstrate that other eligible expenses incurred during the covered period of March 1 through December 30, 2020, would qualify as allowable. The Treasury OIG's determination will be based on audit, investigation, or other review that will be documented and reported to the prime recipient. As part of the reporting process, the prime recipient will have an opportunity to comment and/or dispute a determination. For example, in the case of an audit, the prime recipient will be provided a draft audit report for discussion purposes and to comment and give views that will be considered in the Treasury OIG's final determination on uses of CRF proceeds. Part of this consideration will include whether the prime recipient had other COVID-19 related eligible expenditures during the covered period that are supported through documentation. Treasury OIG will also request an official written response from the prime recipient that will be incorporated into the final issued audit report. If there is a determination to recoup funds, Treasury OIG will attempt to collect those funds through Treasury's Bureau of the Fiscal Service (Fiscal Service) – Centralized Receivable Service. A prime recipient will have an opportunity to enter into a repayment agreement. Fiscal Service will follow its normal debt collection practices.