

Lake County Municipality / Fire Protection District Reimbursement Program – Phase One
Program Guidelines as of July 6, 2020

This document provides guidance for Phase One of Lake County's Municipal/Fire Protection District Reimbursement Program. Currently, Lake County is accepting requests for reimbursements as described below.

Municipalities and Fire Protection Districts should also submit eligible expenses to the FEMA Public Assistance program. The 25% local match for FEMA Public Assistance will be reimbursable under this program. This strategy will maximize the funds available to our communities.

Phase Two of the Municipal/Fire Protection Reimbursement Program will address reimbursement for any additional eligible costs, such as payroll expenses. Lake County is currently determining the most effective way to receive other eligible expenses, such as payroll related expenses, in order to ensure compliance. Some guidance is provided in this document as Phase Two Program Payroll to help you plan for what documentation you will need.

Phase One Program Details

1. CARES Act Coronavirus Relief Funds (CRF) may only be used to cover expenses that:
 - a. Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); and
 - b. Were not accounted for in the budget most recently approved as of March 27, 2020 for the state or government; and
 - c. Were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020. All expenditures must be incurred, and all services must be received with this period.
2. Reimbursements are based on guidance provided by the U.S. Treasury on use of the CARES Act CRF funds. Recent guidance is attached, but links to the source documents are:
 - <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>
 - <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>
 - <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>
3. Direct reimbursement funding will be provided to Lake County's 52 municipalities and 19 fire protection districts.
4. The initial allocations and reimbursements will be for services provided by non-municipal employees and commodities that were purchased in response to the COVID-19 public health emergency.
5. An allocation of \$10 million is available for reimbursement costs for municipalities and fire protection districts. \$9 million will be made available for municipalities, \$1 million will be made available for the fire protection districts. The maximum available allocation for each taxing body is determined based on population.
6. An agreement between the County and the requesting taxing body will be required prior to any reimbursement.
7. This program guidance may be updated as additional guidance on program requirements, such as Treasury Guidance, becomes available, or if additional funding is allocated.
8. Initial reimbursement requests **are due by July 31, 2020**. The documentation should be sent via email to: municipalreimbursement@lakecountyil.gov
 - a. Additional opportunities to request reimbursements will be available in the future.
9. Questions can be sent via email to municipalreimbursement@lakecountyil.gov or by calling 847-377-2233.



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Eligible Reimbursements

For each category of eligible reimbursements, examples are provided. These examples are not all inclusive and similar costs will be considered for reimbursement. The attached reporting spreadsheet provides additional examples of eligible reimbursements. The cost must meet the required criteria stated in 601(a) of the Social Security Act: 1.) COVID related, 2.) not supplanting budgeted costs, and 3.) incurred between March 1, 2020 and Dec. 30, 2020.

1. Costs of Personal Protective Equipment due to the COVID-19 Public Health Emergency
 - a. Masks
 - b. Gloves
 - c. Gowns
 - d. Protective glasses
2. Sanitization and disinfection costs due to the COVID-19 Public Health Emergency
 - a. Hand Sanitizer
 - b. Disinfection wipes
 - c. Sanitizing & disinfection equipment
 - d. Disinfection of facilities and vehicles
3. Costs associated with opening facilities such that they comply with COVID-19 public health guidelines
 - a. Signage
 - b. Thermometers
 - c. Barrier posts
 - d. Glass shields / window placements
 - e. Outside service items – tents, canopies
4. Costs related to improving telework capabilities of public employees to comply with COVID-19 Public Health Emergency guidelines
 - a. New technology costs
 - b. Costs related to holding virtual meetings
 - c. Commodities required for employees to work from home
5. Legal and Communication Costs incurred due to COVID-19 Public Health Emergency
 - a. Drafting of ordinances
 - b. Drafting of emergency declarations
 - c. Educational Messaging to public / employees
6. FEMA Public Assistance Program 25% Local Cost Share. Additional information can be found at <https://www.fema.gov/media-library/assets/documents/187108>

As noted in the introduction, Phase Two of the Municipal/Fire Protection Reimbursement program will address Payroll expenses and other eligible expenses.

Ineligible Reimbursements

1. Non-COVID-19 related expenses.
2. Revenue shortfall.
3. Damages covered by insurance.
4. Expenses that have been or will be reimbursed under any federal program.
5. Reimbursement to donors for donated items or services.
6. Severance pay.
7. Legal settlements.



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Documentation Needed for Reimbursements

1. Provide completed “Summary of Reimbursements” spreadsheet. The Chief Executive Officer, the Chief Financial Officer or equivalent executive with authority to certify, must sign the certification that the expenses were not budgeted in the most recently approved fiscal year budget as of 3/27/2020.
2. Provide description of activity in the “Summary of Reimbursements” spreadsheet that shows how the expense is related to COVID response and recovery and the amount spent. If the first column which provides eligible activities does not include your activity, please insert a row at the bottom of the appropriate category and provide the description and amount.
3. Provide supporting documentation of the expenses as PDF documents that uses the number on the “Summary of Reimbursements” to link the activity with the documentation. If there is more than one page of receipts and support, please provide a header page that uses the number on the “Summary of Reimbursements.”
 - If not clearly identified on the invoice/receipt, you can either make note directly on receipt or provide a summary of invoices and the way they relate to COVID.
 - Invoice receipts should be clearly dated to show the cost was not incurred before March 1, 2020
 - Scanned and copies of receipts/invoices are permitted, but retain originals, as applicable.
 - If more than \$50,000 was spent on any activity, more detailed information will be required. Please identify these costs, but be aware additional direction will be provided as phase 2.
4. Copy of FEMA Public Assistance Program submission, if submitted



Supporting Documentation that Needs to Be Retained

The Treasury OIG Reporting and Record Retention Requirements, dated July 2, 2020 state that subrecipients of the funds, such as municipalities and fire protection districts, must retain for 5 years, "Records to support compliance with subsection 601(d) may include, but are not limited to, copies of the following:

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 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 awards;
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."



Phase Two Program Payroll

Phase Two of the Municipal/Fire Protection Reimbursement Program will address reimbursement for any additional eligible costs, such as payroll expenses for all employees that are “substantially dedicated” in the response to the COVID-19 public health emergency. Lake County is currently determining the most effective way to receive other eligible expenses, such as payroll related expenses, in order to ensure compliance.

