

SD Local Government COVID Recovery Fund Reimbursement Instructions

Last updated 10-23-2020

The Reimbursement Portal will be used by the cities and counties to submit their reimbursement requests. Once the registration process has been completed, access to the Reimbursement Portal will be provided using the same Login/Registration link found at <https://crf.sd.gov>. The portal will use the single sign-on credentials established with the registration process.

General Guidance:

- Only eligible COVID related expenses incurred from March 1, 2020 to December 30 will qualify. To determine which expenses are allowable you should refer to the Frequently Asked Questions linked to the Local Government COVID Relief Fund website at <https://crf.sd.gov>.
- Reimbursement requests may be submitted at any time and as often as necessary through the portal.
- Documentation including invoices or receipts, payroll registers, and payment reference numbers must be included with the request to determine reimbursement eligibility and for audit purposes.
- If there is a contract related to a claim, a copy of the contract should be included.
- The requests for reimbursement and supporting documentation will be reviewed to confirm they meet federal and state guidelines.
- If more information is needed to support a claim or a claim must be changed, the city or county will be notified via e-mail that a claim has been returned, and the claim can be modified through the portal to address the reviewer concerns.
- When submitting a claim with multiple invoices, make sure that each is attached separately, with the respective invoice numbers and dates. An Excel worksheet can be included that summarizes the invoices and provides a total of the claim.
- You should use invoice numbers and dates and not check numbers and dates on your submissions.
- If a request does not meet the eligibility criteria (FAQs) it will be denied with an explanation.
- Payments for approved reimbursement requests will be processed each week.
- The Reimbursement Portal will provide the status of the reimbursement requests.
- Any questions about eligible expenses and how to prepare a reimbursement request should be directed to the Planning District contact.

Operating Expenses

There are no special forms needed to submit eligible COVID related operating expenses, however, it is recommended that if you are submitting multiple vouchers in a single claim that you provide an [Excel worksheet](#) summarizing the claim. All of the information needed to support the reimbursement request will be entered into the portal. You will provide an explanation of the purchase and attach supporting documentation. When entering the reimbursement request you will be required to select a COVID-19 reimbursement category and provide an explanation of how the expenses are COVID-19 related.

Reimbursement requests must be isolated into one of the following COVID-19 reimbursement categories:

- Personal protective equipment (“PPE”)
- Cleaning supplies used for disinfecting facilities or equipment
- Equipment used to maintain cleanliness or to sanitize items (e.g., air purifiers, sterilizers, or disinfectant devices)
- Costs incurred on behalf of an individual testing positive for COVID-19 in order to ensure his or her isolation (e.g., hotel rooms, meals, security)
- Costs incurred at public hospitals, clinics, or similar facilities, including expenses for establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including construction costs
- Costs incurred for COVID-19 testing, including serological testing
- Costs incurred for emergency medical response, including emergency medical transportation, related to COVID-19
- Equipment to establish and operate public telemedicine capabilities for COVID-19 related treatment
- Equipment to support remote work by employees
- Costs incurred to prepare facilities for employees’ return to work or to allow the public to access such facilities while complying with recommended social distancing and other COVID-19 response protocols
- Purchases of PPE, equipment, or supplies to create a reserve for response to COVID-19 cases, even if there have not yet been COVID-19 cases in the jurisdiction
- Other expenses directly related to COVID-19

You will be required to briefly describe why the expenditures were necessary due to the COVID19 public health emergency. If the expense was for supplies and materials explain how they were or will be used to address the public health emergency. If purchasing a bulk amount, provide an explanation as to why the amounts are considered reasonable.

Technology purchases must be tied to maintaining the city's or county's business process in the event of closure or in order to comply with new standards such as social distancing. If applicable, provide department and job titles for whom the technology was purchased. Technology upgrades that were previously budgeted as of March 27, 2020, are not eligible. All justifications should address why the action was taken to respond to Covid-19.

Significant detail will be required to support any facility upgrades. Before a facility upgrade will be approved for reimbursement, a city or county must show 1) the government function cannot be addressed through the use of any reasonable technology; and 2) the facility cannot or should not be shut down during the pandemic. A detailed explanation of what was done, related costs, how you determined the cost was reasonable, and why it was necessary to respond to the current pandemic will be required.

Personal Services

To determine which personnel expenses are allowable you should refer to the [Frequently Asked Questions](#) linked to the Local Government COVID Relief Fund website at <https://crf.sd.gov>.

General Guidance

- Personnel expenses will include salaries, employer paid benefits, and payroll taxes.
- Stipends, bonuses, or allowances are not eligible. This includes but is not limited to hiring bonuses, longevity payments, meal allowances, cell phone stipends, and housing allowances.
- The initial payroll submission must include a summary of employer paid benefits and the amount paid per employee per pay period. This list is to be on letterhead of the city/county and signed by the finance officer. A new benefit letter is required if the benefit rates change during the year.
- If your first pay date in March covers a pay period that includes days prior to March 1, you will be required to prorate that pay period. The proration must be applied to gross wages, payroll taxes and benefits. The proration should be calculated as follows:
*(Number of pay period days starting with March 1 to the end of the period / total days in the payroll period) * (Payroll expense) = Amount that Can Be Claimed.*
- It is recommended that the first payroll reimbursement request cover a limited timeframe, to determine if the documentation is sufficient. It is also recommended that no further payroll reimbursements are submitted until the first submission has been approved. This will avoid payroll reimbursement requests being returned multiple times.
- If you provide contracted services related to public safety and public health employees to other cities or counties, you will need to share your personal services worksheet with

those entities. It is recommended that the parties work together to determine the portion of the personnel costs allocated between the parties and that the worksheet not be shared until the initial payment is made to the city or county completing the worksheet.

- Payroll taxes should be calculated after the reduction of pre-tax employee payroll deductions are removed from the gross pay.
- You may claim Workers Compensation and Unemployment Insurance even if not paid per payroll, by determining the percentages paid on total payroll and applying those percentages to the payroll claim.
- Uploaded files should be labeled with the earliest date of the period being claimed.
- If you contract for any of the qualifying personnel functions identified in the FAQ, you may claim the portion of the contract related to personnel costs. The service provider is responsible for providing the worksheet that identifies the amount that may be claimed.

Required Documentation

When claiming personnel expenses, an Excel worksheet with employee and payroll detail needs to be completed and submitted with the payroll register or summary register. If a payroll report can be generated with the payroll detail (salaries and benefits) that isolates the employees being claimed, only the totals (gross salary, benefit amounts, and employer paid payroll taxes) would need to be entered on the worksheet. Submit the payroll worksheet in Excel and not a pdf. The worksheets and the Payroll Claims Summary report can be found at <https://bfm.sd.gov/covid/crf/>.

- If you pay the full cost of public safety and public health employees and none of the services are contracted out to other communities, you will need to complete the "[Direct PS](#)" cost spreadsheet.
- If you provide contracted services related to public safety and public health employees, you need to complete the "[Contracted PS](#)" worksheet and share it with those that contract for the services.
- For all other personnel cost reimbursement requests, complete the "[COVID-19 PS](#)" worksheet and explain why the work was necessary due to the COVID-19 public health emergency.
- If you contract for public safety or public health services, you will need to submit the "Contracted PS" worksheet received from your provider, along with a copy of your contract as documentation for your claim.
- The [Payroll Claims Summary Report](#) will need to be completed and submitted with your final payroll reimbursement, or with each reimbursement request starting December 1.

Jail or Correctional Personnel

On September 2, 2020, the U.S. Treasury clarified its position on the treatment of jail or correctional personnel and now permits the reimbursement of payroll expenses for jail and correctional personnel based on a presumption they are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll expenses for these types of employees should now be claimed in the same manner, and on the same basis, as payroll expenses for all other public health and public safety employees. **Any payroll claims for correctional staff previously claimed as a COVID-19 Personal Services cost, must be subtracted from future payroll claims to avoid claiming the expenses twice.**

DOH Nursing Contracts

Counties may claim the personnel costs related to their Department of Health nursing contracts. Those amounts are available from the Planning Districts. The amounts represent the 2020 calendar year personnel costs, but only March through December can be claimed on a reimbursement basis. For reimbursement, the county must attach their contract, but can only claim the personnel portion starting March 1.

Ambulance Personnel Costs

The formula used to calculate the payroll reimbursement claims for both contracted and self-operated ambulance services is based on a ratio of personnel costs to operating costs of 60:40. For self-operated ambulance services prior to 10/23/2020, the formula used 100% of billings to avoid claiming personnel costs already covered by a third-party. We have analyzed billings and collections and determined that actual collections are around 40% of the billed services amount. Based on that information, as of 10/23/2020 the reimbursement formula for self-operated ambulance services and will now use a factor of 40% of the billed services to approximate collections. You can claim the increased eligible payroll amount on prior claims by submitting a new claim that references the paid claim number and providing the two formula calculations.

The following is an example of how to calculate the portion of payroll that is reimbursable using the new formula:

<u>Self-Operated Ambulance Payroll Formula</u>	
Period Covered:	Mar1-Mar30
Billed Services for Period:	\$34,000
40% of Billed Services for Period:	\$13,600
Payroll Expense for Period:	\$49,000
Less 60% of 40% of Billed Services:	\$8,160
Portion of Payroll Eligible for Reimbursement:	\$40,840

You may request the difference on previous claims by identifying the original claim and showing the difference between the two formulas. The following is an example:

<u>Ambulance Payroll Claim #5923</u>	
Previous Formula	
Period Covered:	Mar1-Mar30
Billed Services for Period:	\$34,000
Payroll Expense for Period:	\$49,000
Less 60% of Billing:	\$20,400
Portion of Payroll Eligible for Reimbursement:	\$28,600
Revised Formula (10-23-20)	
Period Covered:	Mar1-Mar30
Billed Services for Period:	\$34,000
40% of Billed Services for Period:	\$13,600
Payroll Expense for Period:	\$49,000
Less 60% of 40% of Billed Services:	\$8,160
Portion of Payroll Eligible for Reimbursement:	\$40,840
<i>Additional Amount Requested:</i>	<i>\$12,240</i>

The reimbursement claim would need to be accompanied by the "Direct PS" worksheet detailing the individuals, payroll and benefit costs being claimed along with the above calculation.

For communities or counties that contract for ambulance service from another local government or private entity, they will be eligible to claim 60% of the contract amount and submit it as a reimbursable expense. They will simply provide a copy of their contract, allocate 60% of the costs over the eligible period (March 1 to December 30) and request reimbursement.