






CARES Act Title V – State & Local Government

TERMS	CORONAVIRUS RELIEF FUND - SUMMARY
<p>Eligible Purpose</p> 	<p>Eligible Purposes Section 5001(d) of the CARES Act provides the eligible purposes for which Coronavirus Relief Fund payments may be used. It allows state and local governments to make payments for programs that:</p> <ol style="list-style-type: none"> 1. Are necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19); 2. Were not accounted for in the budget most recently approved as of the date of enactment [March 27, 2020] of this section for the State or government; <p>AND</p> <ol style="list-style-type: none"> 3. Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.
<p>Ineligible Purposes</p> 	<p>The Inspector General of the Department of the Treasury determines whether Coronavirus Relief Fund payments are used for eligible purposes. Fund payments that are deemed for ineligible purposes are treated as a debt owed by the implementing government to the Treasury.</p>
<p>Allocation: Local Governments</p>	<p>Local governments serving a population of at least 500,000, as measured in the most recent census data, may elect to request assistance directly from Treasury. Such direct local assistance allocations reduce the allocation made to the state government (keeping the state allocation constant) and are equal to the product of:</p> <ul style="list-style-type: none"> • The state or territory allocation amount; • The percentage of the state or territory population served by the local government; AND • 45 percent. <p>Local governments with populations below 500,000 may request allocation funds directly from their State.</p>
<p>Payments </p>	<p>No later than 30 days from enactment, the Treasury Secretary will pay each state, tribal government and unit of local government its share. Payments will be made directly to a defined unit of local government that has submitted the required certification for direct payment.</p>
<p>Certifications</p> 	<p>To receive payments from the Fund, units of local government must submit a certification to the Treasury Secretary signed by the Chief Executive Officer for that local government unit stating that its proposed use of the funds are consistent with three eligible purposes and must identify the necessary expenditures incurred during the public health emergency and the shortfall from the previously approved budget. However, that amount will be deducted from what that individual state will receive based on the relative unit of local government population proportion. In states with no city or county over 500,000 people, the state government will receive the entire allocation. Each county and city exceeding the population threshold will receive funding based on the following formula: <i>45 percent of the state's total allocation X local government's share of the state population.</i></p>
<p>Next Steps</p> 	<ol style="list-style-type: none"> 1. Track already-authorized emergency costs related to COVID-19 and determine how to track these going forward. 2. Identify sources of capital to finance spending surges before federal money becomes available. 3. Begin the allocation process: 1) catalog existing programs, municipalities and nongovernmental agencies, 2) determine distribution criteria and processes. 4. Put appropriate fraud, waste and abuse controls in place. 5. Identify areas of higher demand and redeploy staff for efficient relief fund distribution. 6. Ensure your infrastructure and administration capacity are appropriate to deal with an influx of demand in a short period of time. 7. Determine how and what to communicate efficiently on state and federal resources for individuals, businesses and the community. 8. Determine outreach strategies for each relevant segment within your community.

Information in this chart is substantially summarized, not all-inclusive and subject to change. Accurate as of 4/9/2020. Brown Smith Wallace provides this material for informational purposes only.

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