



Date: 06/25/2020 (Updated 6/29/2020)

To: Minnesota Cities, Towns, and Counties

From: Minnesota Department of Revenue and Minnesota Management and Budget

RE: Requirements and Instructions for Local Governments receiving Coronavirus Relief Funds (CRF), CFDA 21.019

Financial Systems

Local governments receiving aid under this distribution must have a MN SWIFT Supplier ID prior to disbursement. Use [this link](#) for registration if you do not currently have a SWIFT Supplier ID. If you already have this ID you do not need to apply for a new one.

Local governments that do not have a federal [Data Universal Number System \(DUNS\) number](#) will need to obtain one and register in the federal [System for Award Management \(SAM\)](#) within 30 days of receipt of CRF funds from the State of Minnesota. This is a required to allow the federal government to track the distribution of federal funds.

FEMA, Workers' Compensation and Local Public Health Costs

Local jurisdictions understand that they are responsible for FEMA nonfederal share, workers compensation, and the costs of supporting its Community Health Board COVID-19 response. Local jurisdictions should not anticipate additional funds for these purposes. Accordingly:

A local government receiving aid under this distribution should use the funds, if necessary, to pay its nonfederal share of federal disaster (FEMA) assistance due to the COVID-19 public health peacetime emergency. According to [U.S. Department of Treasury Guidance](#), CRF may be used to meet the non-federal matching requirements.

A local government receiving aid under this distribution should use the funds, if necessary, to pay for COVID-19 workers' compensation costs expended between April 7, 2020 and December 1, 2020 for employees in job classifications entitled to the presumption established by Laws 2020, chapter 72, section 1. According to [U.S. Department of Treasury Guidance](#), increased workers' compensation costs to the government due to the COVID-19 public health emergency is an eligible expense.

A local government receiving aid under this distribution should use the funds, if necessary, to support its Community Health Board COVID-19 response including for priority activities identified in consultation between the local boards and the Minnesota Department of Health.

Federal Audit Requirements

A local government receiving aid under this distribution is required to obtain a federal single audit if its expenditures of federal funds exceeds \$750,000 in its fiscal year as explained below:

§200.501 Audit requirements.

(a) *Audit required.* A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.

(b) *Single audit.* A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with §200.514 Scope of audit except when it elects to have a program-specific audit conducted in accordance with paragraph (c) of this section.

(c) *Program-specific audit election.* When an auditee expends Federal awards under only one Federal program (excluding R&D) and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted in accordance with §200.507 Program-specific audits. A program-specific audit may not be elected for R&D unless all of the Federal awards expended were received from the same Federal agency, or the same Federal agency and the same pass-through entity, and that Federal agency, or pass-through entity in the case of a subrecipient, approves in advance a program-specific audit.

(d) *Exemption when Federal awards expended are less than \$750,000.* A non-Federal entity that expends less than \$750,000 during the non-Federal entity's fiscal year in Federal awards is exempt from Federal audit requirements for that year, except as noted in §200.503 Relation to other audit requirements, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO).

State Reporting Requirements

Local governments will be required to report expenditures to the state monthly using an online portal.

County Supplemental Appropriations

Cities and towns with populations under 200 are not eligible for a direct allocation from the state. Instead, consistent with the legislative proposal, the home county for these cities and towns will receive supplemental aid to be distributed to those cities and towns. The amount of the county distribution to cities and towns is equal to the lesser of the state supplemental aid for that jurisdiction or the jurisdictions documented allowable costs.

The city supplemental aid to counties is equal to the population of cities under 200 in the county multiplied by \$75.34. The town supplemental aid to counties is equal to the population of towns under 200 in the county multiplied by \$25.