

Coronavirus Relief Funds for Local Governments Eligible Cost Test

Instructions:

Each jurisdiction is charged with determining whether or not an expense is eligible based on the [US Treasury's Guidance](#) and as provided in their contract scope of work with Commerce.

To assist jurisdictions with this determination, Commerce has developed an eligibility cost test. This test gives each jurisdiction full authority to make the appropriate call for each circumstance.

If all responses for the particular incurred cost are “true” for all five statements below, then a jurisdiction can feel confident the cost is eligible:

1.	The expense is connected to the COVID-19 emergency.	<input type="checkbox"/> True	<input type="checkbox"/> False
2.	The expense is “necessary”.	<input type="checkbox"/> True	<input type="checkbox"/> False
3.	The expense is not filling a short fall in government revenues.	<input type="checkbox"/> True	<input type="checkbox"/> False
4.	The expense is not funded thru another budget line item, allotment or allocation, as of March 27, 2020.	<input type="checkbox"/> True	<input type="checkbox"/> False
5.	The expense wouldn't exist without COVID-19 OR would be for a “substantially different” purpose.	<input type="checkbox"/> True	<input type="checkbox"/> False

It is the responsibility of each jurisdiction to define “**necessary**” or “**substantially different**”, giving the jurisdiction the authority and flexibility to make their own determination.

Additional consideration – The intent of these funds is to help jurisdictions cover the *immediate impacts* of the COVID-19 emergency. Both direct costs to the jurisdiction and costs to their communities.

There are many possible eligible costs. Many costs are clearly eligible and others are in more grey areas. One could probably justify some of the “grey area” costs based on the test, but are they directly addressing the *immediate impacts*? Possibly not.

In these situations it may be safer and more appropriate to utilize the funds in one of the many other eligible cost categories that more clearly meet the intent of the funds. Again, each jurisdiction has the full authority to make the final call based on their individual circumstances.

ELIGIBLE COSTS

Eligible costs based on the [US Treasury's Guidance](#) and as provided in the contract scope of work with Commerce are as follows:

1. **Medical expenses** such as:
 - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
 - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
 - Costs of providing COVID-19 testing, including serological testing.
 - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
 - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. **Public health expenses** such as:
 - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
 - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
 - Expenses for disinfection of public areas and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency.
 - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
 - Expenses for public safety measures undertaken in response to COVID-19.
 - Expenses for quarantining individuals.
3. **Payroll 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.
4. **Expenses of actions to facilitate compliance with COVID-19-related public health measures**, such as:
 - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
 - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
 - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
 - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
 - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. **Expenses associated with the provision of economic support** in connection with the COVID-19 public health emergency, such as:
 - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - Expenditures related to a state, territorial, local, or Tribal government payroll support program.
 - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
6. **Any other COVID-19-related expenses** reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.