



**Town of Gordonsville, Virginia
Agenda Item Summary
June 22, 2020**

<p><u>AGENDA ITEM 4c</u> Unfinished Business</p> <p><u>AGENDA TITLE:</u> Consideration of CARES Act Funding Allocation.</p> <p><u>PRESENTER:</u> Mayor Robert Coiner</p>	<p><u>DISPOSITION:</u> <input checked="" type="checkbox"/> Action Required <input type="checkbox"/> For Discussion <input type="checkbox"/> Consent Agenda <input type="checkbox"/> Closed Session <input type="checkbox"/> Informational</p> <p><u>ATTACHMENTS:</u> <input checked="" type="checkbox"/> yes <input type="checkbox"/> no</p>
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BACKGROUND:

As has been reported to Council, Gordonsville will receive \$140,030 in CARES Act Relief Funds from Orange County.

The funding due to Gordonsville will be provided in a lump sum to the Town once a funding agreement with the County has been executed. The County has drafted such an agreement, which is attached for Council’s information. The Board of Supervisors is expected to consider this draft agreement at their July 14th meeting.

The CARES Act provides that payments from the CRF may only be used to cover qualifying expenses that:

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

Currently, federal guidance indicates that the CRF funds can only be used for the direct costs associated with the response to the COVID-19 pandemic and cannot be used to make up for revenue shortfalls.

As previously reported to Council, the Town has incurred qualifying expenditures associated with the Town’s COVID-19 response. The list of expenses, incurred and anticipated, is as follows:

Incurred expenses:	
Cleaning, PPE, Facility upgrades:	\$10,250
Utility cut-off waiver fees:	\$ 5,000
Families First Coronavirus Relief Act leave	<u>\$ 1,000</u>
Anticipated expenses:	
Facility upgrades:	\$ 5,000
Unemployment expenses:	\$12,530
Total	\$33,780

This leaves a balance of approximately \$106,250. Staff anticipates only a portion of this balance will be needed for the purchase of supplies or additional facility upgrades for COVID-19 response through December 30, 2020, the deadline for spending CARES Act funding. To ensure funding is available for any unforeseen expenses, however, staff recommends that \$90,000 of the Town’s full allocation be available for Town expenses, leaving approximately \$50,000 of the \$140,000 allocated to the Town to be available as discretionary funding for other community relief.

As previously reported to Council via email, Orange County is considering the development of a “business restart” grant program for businesses and non-profits and has offered for the Town to participate. Details of such a program are being developed. Should the Town wish to partner with the County in this regard, all or a portion of the Town’s “discretionary” CARES Act funding could be used to support town businesses. The Town also has the option of creating its own mini-grant program for business support, and there are several examples to follow from other localities who have created such a program.

Staff looks forward to Council’s continued discussion in this regard.

1 THIS MEMORANDUM OF UNDERSTANDING (MOU) (this "Agreement") is entered into as of
2 _____, _____, 2020 (the "Effective Date") by and between the County of
3 Orange, Virginia ("County", "Grantor"), a political subdivision of the Commonwealth of Virginia,
4 and _____ ("Grantee") a political subdivision of the
5 Commonwealth of Virginia/a 501c3 non-profit registered in the Commonwealth of Virginia.

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7 **Article 1.**
8 **Certification**

- 9 1. The County of Orange, Virginia is responsible for the disbursement of funds from the
10 Coronavirus Relief Fund (CRF) pursuant to section 601(b) of the Social Security Act, as
11 added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act, Pub.
12 L.No. 116-236, div. A, Title V (March 27, 2020).
- 13 2. The Grantee understands that the County of Orange, Virginia will rely on this certification
14 as a material representation in making a direct payment to the Grantee and any false
15 representation may subject the Grantee to legal action.
- 16 3. The Grantee's proposed uses of funds received as direct payment from the Grantor will
17 be used only to cover those costs that:
- 18 a. Are necessary expenditures incurred due to the public health emergency with
19 respect to the Coronavirus Disease 2019 (COVID-19);
 - 20 b. Were not accounted for in the budget most recently approved as of March 27,
21 2020 for the Grantee; and
 - 22 c. Were incurred during the period that begins on March 1, 2020, and ends
23 December 30, 2020.
- 24 4. Any funds that are not expended or that will not be expended on necessary expenditures
25 on or before December 30, 2020, by the Grantee, must be returned to the Grantor no
26 later than December 20, 2020, to provide time for the Grantor to return the funds to the
27 Commonwealth of Virginia by the required deadline of December 30, 2020.
- 28 5. The Grantee understands that they will not receive continued funding beyond December
29 30, 2020, from any source to continue paying expenses or providing services that were
30 initiated or previously supported from CRF funds prior to December 30, 2020.
- 31 6. Funds received as a direct payment from the Grantor pursuant to this certification must
32 adhere to official federal guidance issued or to be issued regarding what constitutes a
33 necessary expenditure.
- 34 7. Any CRF funds expended by the Grantee in any manner that does not adhere to official
35 federal guidance shall be returned to the Grantor immediately so the Grantor may return
36 it to the Commonwealth of Virginia within the thirty (30) day window of finding that the
37 expenditure is disallowed, and that the Commonwealth of Virginia is entitled to invoke
38 state aid intercept to recover any and all such funds that are not repaid within the allotted
39 time frame.
- 40 8. As a condition of receiving CRF funds pursuant to this certification, the Grantee shall
41 retain documentation of all uses of funds, including but not limited to payroll time
42 records, invoices, and/or sales receipts. Such documentation shall be produced to the
43 Grantor and/or the Commonwealth of Virginia upon request.
- 44 9. The Grantee must maintain proper accounting records to segregate these expenditures
45 from those supported by other fund sources and that all such records will be subject to
46 audit.

- 47 10. Any funds provided pursuant to this certification cannot be used as a revenue
48 replacement for lower than expected revenue collections from taxes, or any other
49 revenue source.
50 11. Any CRF funds received pursuant to this certification will not be used for expenditures
51 for which the Grantee has received funds from any other emergency COVID-19
52 supplemental funding (whether state, federal, or private in nature) for that same expense
53 nor may CRF funds be used for the purposes of matching other federal funds unless
54 specifically authorized by federal statute, regulation, or guideline.

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Article 2.

Term

56 This MOU shall be in effect beginning on the date specified above and continuing for three (3)
57 years after December 30, 2020 to align with federal grant guidelines for auditing purposes.
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Article 3.

Signature

61 We certify that we have read the above certification and our statements contained herein are
62 true and correct to the best of our knowledge.
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COUNTY OF ORANGE, VIRGINIA

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68 By: _____

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James P. Crozier, Chairman

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ATTESTED TO:

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_____(Clerk)

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(Grantee Name)

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By: _____

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Grantee Authority

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ATTESTED TO:

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_____(Clerk)

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