

# OVERVIEW OF TREASURY GUIDANCE FOR \$1.25 BILLION CONGRESS APPROPRIATED TO WV IN CARES ACT FUNDING

<https://home.treasury.gov/policy-issues/cares/state-and-local-governments>

As of 4/24/20

These rules may change based on US Treasury guidance.

The State of West Virginia will develop a plan based off of the US Treasury Rules. Please look for the state allocation plan for final rules for West Virginia counties and municipalities.

On April 22, the Treasury Department released rules to states on how to spend the \$150 billion Coronavirus Relief Fund – of which **WV has received \$1.25 billion**. An overview of the rules is below:

## Treasury Guidance to State, Local, and Tribal Governments

The CARES Act requires that funding provided through the Coronavirus Relief Fund can be used to cover costs that are a). necessary expenditures incurred due to COVID-19, b). were not accounted for in the most recent state or local budget, and c). were incurred after March 1. Treasury guidance states that these expenditures can include funding for medical or public health needs, as well as responding to second-order effects such as economic support for employees or businesses that have been forced to close due to the pandemic. States can transfer these funds to local governments, but funds may not be used to fill shortfalls in government revenue or expenditures anticipated in state or local government budgets. The guidance does allow for expenditures that could have been funded through a state's rainy day fund, which means that states are not required to burn through these funds before using relief funds. Some examples of both eligible and non-eligible uses of these funds are below.

### What Funds Can Be Used For:

- Testing
- PPEs and other protective supplies
- Telemedicine, distance learning, and telework
- Food delivery to senior citizens and others
- Expenses of healthcare facilities, including construction of temporary facilities
- Communication of public health orders and other public safety measures, including technical assistance to local authorities
- Disinfection and sanitation efforts for public areas, state prisons & county jails, etc.
- Payroll expenses for employees dedicated to responding to COVID-19
- Paid sick leave and family and medical leave
- Mitigating homelessness
- Grants to small businesses, payroll support, and unemployment insurance costs not otherwise covered by the CARES Act

### What Funds Cannot Be Used For:

- State share of Medicaid
- Damages covered by insurance
- Payroll or benefits expenses for employees whose work duties are not 'substantially dedicated' to mitigating or responding to COVID-19
- Expenses that have been or will be reimbursed under any federal program, such as contributions to state unemployment funds
- Reimbursement to donors for donated items or services
- Workforce bonuses other than hazard pay or overtime
- Severance pay
- Legal settlements

*DISCLAIMER: This document is intended to provide preliminary guidance based on Congressional intent and does not constitute legal advice. It also does not replace official implementation guidance from the relevant state and federal agencies.*

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Senator Manchin's staff will return your call or email as soon as possible.