

# Guide to Sharing Coronavirus Relief Funds (CRF)



Ohio

The Ohio Grants  
Partnership

The Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) established the Coronavirus Relief Fund to provide state and local governments assistance to navigate the impact of the COVID-19 public health emergency. Funding was provided from the US Department of Treasury to the State of Ohio to support state and local governments, of which \$350 million has already been distributed through House Bill 481.

When considering the needs of your jurisdiction and community, it may make sense to pass along funding to another jurisdiction such as a fire district or a non-profit that can better serve the specific needs of your community. This concept of passing along funds for use to further expand or address the needs of the community is essentially a “subgrant.” A subgrant is different from a traditional contractual relationship where specific goods and/or services are procured and purchased.

Subgranting funds is allowable with Coronavirus Relief Funding if it is necessary due to the public health emergency and will be used to meet the eligibility criteria outlined in the guidance document from the US Treasury. It is important you understand that subgranting funds brings a responsibility to provide notice of the funding to the subrecipient and to monitor their activities; however, don’t let that deter you if passing along funds will best serve the needs of your community.

To help simplify this process, here are some recommended steps:

**Step 1:** Determine the needs of your community and gain approval of your governing body (trustees, board, etc.) on the use of funds and any subgrants of funds.

**Step 2:** Ensure the type of relationship that exists. In simple terms, a subrecipient relationship means there are ongoing responsibilities with providing the funds. Conversely, a contractor relationship ends once the goods and/or services have been received and paid for outside of warranties or other buyer protections which may extend the relationship.

**You have a subrecipient relationship if...**

\*\*Funding is provided with a purpose of completing the goal of a program, to assist with a need of the community, or to provide support for the common purpose of the original funding source.

**Example-**Funds provided to a fire district from a township to assist with their impacts and continued response to the public health emergency. The fire district is a subrecipient to the township.

**You have a contractor relationship if...**

\*\*Goods or services were procured following a procurement method and payments typically based on contract terms or a quote. A procurement method is followed, and the contractor provides the goods and/or services specifically procured.

**Example-**Funds are paid to a private ambulance service for COVID related runs based on the contractual terms in place with the jurisdiction. The private ambulance service is being paid as a contractor based upon terms negotiated, even if Coronavirus Relief Funds may be paying the cost.

There may be situations where a contractor may be passed along funds to assist with needs that are funded from the grant program. In this case, absent contractual terms to perform a service and/or provide goods, this creates a subrecipient relationship with someone that is traditionally viewed as a contractor. An example may be providing funds to a private ambulance service to deal with increased costs of sanitation or supplies due to the public health emergency. There is no expectation or procurement of a good or service, rather providing assistance or a subgrant to the entity.

This guide is for basic situations, if the relationship is more complex then it may be necessary to evaluate further. Refer to 2 CFR 200.330 (<https://ecfr.io/Title-2/Section-200.330>) when making your determination. A tool provided by the Association of Governmental Accountants at <https://www.agacgfm.org/Intergov/More-Tools/Subrecipient-vs-Contractor-Checklist.aspx> may also be able to help.

**Step 3:** Establish the protocol for the funds.

\*\*If you identified a contractor relationship, you should have a written contract in place with terms and conditions for the procurement.

\*\*If you identified a subrecipient relationship, then this step is a critical point in which a jurisdiction needs to decide the best approach for subgranting the funds. Will funds be advanced? Or will they be provided as reimbursement? Some grants do not allow for funds to be advanced, however the Coronavirus Relief Funds may be advanced. In making this decision, a jurisdiction needs to balance the urgency in providing funds quickly with the ongoing responsibility to monitor the activities the subrecipient has with the funds. Grants that are reimbursement allow for monitoring to occur with each payment, whereas an advance requires work on the back end to ensure all funds are expended appropriately. In all cases, a notice of award must be provided to the subrecipient with the details and requirements of the funds. See appendix A for sample notice of award.

**Step 4:** Maintain records and be mindful of monitoring and reporting requirements. Ultimately, subgranting funds carries with it the responsibility of informing the subrecipient of the requirements of the funds and monitoring the use to include fulfilling reporting requirements to your main awarding agency.

This guide provides a simple approach in subgranting funds. Specific requirements can be found in the uniform guidance at 2 CFR 200.331 (<https://ecfr.io/Title-2/Section-200.331>).

## APPENDIX A

### Sample Basic Subgrant Agreement Format

**NOTE:** This is merely provided as an example to assist in drafting the most appropriate document for your jurisdiction. Additional information or sections may be needed, so it is advised to discuss language with your legal counsel.

**Opportunity Title:** Description which makes sense with the purpose of the award

**Funding Organization:** U.S. Department of Treasury

**Prime Recipient:** Ohio Office of Budget and Management

**CFDA Number and Grant Name:** 21.019 Coronavirus Relief Fund

**Project Start Date:** March 1, 2020

**Project End Date:** December 28, 2020

**Grantor:** Local Government transferring CRF monies. This should include contact information for the awarding official(s).

**Subgrantee:** Local Government receiving CRF monies to include contact information.

**Award Amount:** List the total award amount here.

**Payment Method:** List the payment method that is planned. For example - Payment will be made to subgrantee on a reimbursement basis. Paid invoices will be submitted to Grantor for review and approval prior to receiving reimbursement.

**Project Description:** Details on the planned use of funds.

**Requirements:** This section is where you list all the requirements of the funding source. It may be appropriate to direct the requirements to other authoritative sources for the funds such as the OBM guidance document, the US Treasury guidance and frequently asked questions, and the US Treasury Office of Inspector General reporting and records retention requirements.

**Revisions:** This provides the terms on adapting to changing requirements. Example language includes “this subgrant agreement was developed and in effect as of the date the agreement was signed. Grantor reserves the right to revise agreement if guidance from the U.S. Treasury changes.”

**Certification:** This is a section where both entities sign-off agreeing to the terms of the award.