



**CARES GRANT
and CARRYOVER 2020**



Key Points

Disbursements and Administration

- We are following CARES Act guidelines for eligible reimbursements
- Deadlines have changed, (October → November → December 31)
- CARES Act guidelines have changed

Accounting

- Since most payroll costs were anticipated and budgeted, eligible payroll costs are being reimbursed via CARES grant revenue in the appropriate funds
 - This frees up other Sandy revenue to drop to savings for future appropriation by the Council
= majority of the grant
- Unanticipated COVID costs are being reimbursed directly by CARES funds via the Special Purpose Fund 71, thereby keeping department budgets unaffected by these unanticipated costs
- Using Special Purpose Fund 71 provides for cleaner auditing and tracking of the CARES grant, and we are following Generally Accepted Accounting Principles (GAAP)
- We stayed within appropriations in FY 2020 and in the current fiscal year



CARES Grant Eligible Expenses

Payroll costs

- Public Safety personnel costs
- Personnel costs directly related to COVID

Equipment

- Equipment for remote work/teleworking
- IT enterprise software and equipment to support remote working
- Physical or electronic upgrades to promote physical distancing

Supplies

- Sanitation materials and supplies related to COVID



FY 2020 CARES Grant Impact in the General Fund

FY 2020 Budget

General Revenues
\$58.3M

General Expenses
\$58.1M

\$206K Excess*

Budgeted Excess Calculation

Budgeted Revenues (\$58.3M)

-

Budgeted Expenses (\$58.1M)

=

Budgeted Excess (\$206K)

*Budgeted excess is a planned contribution to general fund balance. Remaining excess at the end of the fiscal year can either drop to general fund balance or be moved to other funds for immediate or later appropriation.



FY 2020 CARES Grant Impact in the **General Fund**

FY 2020 Budget



\$206K Excess*

FY 2020 Actuals without CARES



**Excess*
\$2.7M**

Actual Excess Calculation

$$\begin{aligned} &\text{Actual Revenues } (\$57.6\text{M}) \\ &\quad - \\ &\text{Actual Expenses } (\$54.9\text{M}) \\ &\quad = \\ &\textbf{Actual Excess } (\$2.7\text{M}) \end{aligned}$$

*Budgeted excess is a planned contribution to general fund balance. Remaining excess at the end of the fiscal year can either drop to general fund balance or be moved to other funds for immediate or later appropriation.

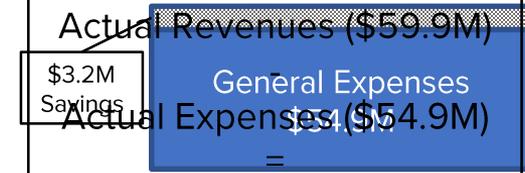


FY 2020 CARES Grant Impact in the **General Fund**

FY 2020 Budget



FY 2020 Actuals without CARES



FY 2020 Actuals with CARES



*Budgeted excess is a planned contribution to general fund balance. Remaining excess at the end of the fiscal year can either drop to general fund balance or be moved to other funds for immediate or later appropriation.

CARES Grant Decision Tree

CARES Eligible Expenses
Budgeted or Unanticipated?

Budgeted

Direct to Appropriate Funds
(i.e. GF, RDA, Water)

- Public safety payroll
- Personnel costs

Reimburses for already budgeted costs, thus freeing up other revenue to drop to savings for future appropriation

Yes

No

Unanticipated

Department line-item expenses

- Additional payroll/overtime
- Equipment
- Enterprise IT upgrades
- Hazard pay
- Remote work reimbursement

Keeps department budgets neutral

Special Purpose Fund 71

One fund to track unanticipated CARES revenues and eligible expenses
Provides for better auditing and tracking

Line-item example

Expense	\$ -100
Reimburse	+100
	<u>\$0</u>

Reimburses unanticipated costs

Revenue In
Expense out



CARES Grant Summary Across Multiple City Funds

	FY 2020	FY 2021	Total
<u>CARES Revenue</u>			
SL County CARES Funds (Tranche 1)	2,645,410	217,187	2,862,597
SL County CARES Funds (Tranche 2)	-	2,862,597	2,862,597
Total Expected CARES Revenue	2,645,410	3,079,784	5,725,194
<u>CARES-Eligible Expenses</u>			
Unanticipated Expenses			
Enterprise IT Upgrades	-	500,000	500,000
Additonal Payroll/Overtime	-	15,000	15,000
Hazard Pay/Remote Work Reimb.	-	690,000	690,000
Equipment	27,040	400,000	427,040
Supplies	23,261	90,000	113,261
Total Unanticipated Expenses	50,300	1,695,000	1,745,300
Budgeted Expenses			
Payroll - COVID Time/Public Safety	2,595,110	1,384,784	3,979,894
Total Budgeted Expenses	2,595,110	1,384,784	3,979,894
Total CARES-Eligible Expenses	2,645,410	3,079,784	5,725,194



Summary

- City staff have invested significant time and effort to appropriately account for CARES grant funding, and to ensure compliance with changing guidelines, deadlines, and eligibility requirements
- To date, all CARES-eligible expenses have stayed within budget appropriations
 - In FY 2020, only \$50K was spent on unanticipated, COVID-related equipment and supplies that is not available to re-appropriate
- CARES grant funding freed up one-time general revenues in FY 2020 for appropriation in FY 2021 or later
- The City Council can appropriate CARES grant funding, or resulting excess revenues, regardless of whether it is accounted for in the Special Purpose Fund, in other city funds, or in any combination of these funds
- The City has enough public safety expenses to qualify for all available CARES grant funding



Options for FY 2021

Option 1

- Receive CARES grant funding, justified by a combination of eligible **budgeted** expenses and eligible **unanticipated** expenses
 - CARES grant funding covering **budgeted** expenses would be coded to revenue in the fund in which the expenses are budgeted, thereby making other revenue available for fund balance or later appropriation
 - CARES grant funding covering **unanticipated** expenses would be coded as revenue in the Special Purpose Fund to cover the cost of these expenses
 - The City Council has the option to approve or revise staff's recommendation on how to use CARES grant funding in FY 2021

Option 2

- Receive CARES grant funding, justified by **budgeted** public safety payroll and other payroll expenses
 - CARES grant funding covering these expenses would be coded to revenue in the General Fund, thereby making other revenue available for fund balance or later appropriation
 - This approach would not address **unanticipated** COVID expenses or needs in the current fiscal year