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PAYROLL SOLUTIONS



Q&A: COVID-19 Sick Pay and Family Leave for School Districts

PRESENTED BY

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She is a committee member for the American Payroll Association MI Statewide payroll conferences. She was past-president and co-founder of the Great Lakes Bay Chapter of the APA and is currently member of that chapter.

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Disclaimer

- This session is not legal advice and is based on what we know as of the date of this presentation. Before taking any actions on the information contained in this presentation, employers should review this material with internal and/or external counsel.

Objectives

- Reporting of qualified sick and family leave wages
- Reporting of the deferral of employer share of social security
- Reporting of the deferral of employee share of social security
- Other year end reminders
- Handling of COVID-19 revenue sources
- 3% Questions
- Open Forum



Qualified sick and family leave wages

Emergency Paid Sick Leave Act (EPSLA). The EPSLA requires certain government employers and private employers with fewer than 500 employees to provide paid sick leave to employees unable to work or telework after March 31, 2020, and before January 1, 2021, because the employee:

1. Is subject to a federal, state, or local quarantine or isolation order related to COVID-19;
2. Has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
3. Is experiencing symptoms of COVID-19 and seeking a medical diagnosis;
4. Is caring for an individual subject to an order described in (1) or who has been advised as described in (2);
5. Is caring for a child if the school or place of care has been closed, or the childcare provider is unavailable, due to COVID-19 precautions; or
6. Is experiencing any other substantially similar condition specified by the U.S. Department of Health and Human Services.

Qualified sick and family leave wages

Emergency Paid Sick Leave Act (EPSLA). Required to provide employees with up to **80 hours of paid leave** if the previous criteria is met.

- If Criteria 1-3 are met:
 - Entitled to be paid at the employee's regular pay, up to \$511 per day and \$5,110 in the aggregate.
- If Criteria 4-6 are met:
 - Entitled to paid sick leave at two-thirds the employee's regular rate of pay up to \$200 per day and \$2,000 in the aggregate.

Qualified sick and family leave wages

Emergency Family and Medical Leave Expansion Act. The Emergency Family and Medical Leave Expansion Act requires certain government employers and private employers with fewer than 500 employees to provide paid family leave who has been employed for at least 30 calendar days. The requirement to provide leave generally applies when an employee is unable to work or telework after March 31, 2020, and before January 1, 2021, due to the need to care for a child because the school or place of care has been closed, or the childcare provider is unavailable, due to COVID-19 related reasons. The first 10 days for which an employee takes leave may be unpaid. During this period, employees may use other forms of paid leave, such as qualified sick leave, accrued sick leave, annual leave, or other paid time off. After an employee takes leave for 10 days, the employer must provide the employee paid leave (that is, qualified family leave wages) for up to **10 weeks**.

Qualified sick and family leave wages

Emergency Family and Medical Leave Expansion Act.

This paid family leave time of up to 10 weeks should be paid at two-thirds of the regular rate of pay up to \$200 per day and \$10,000 in the aggregate.

Qualified sick and family leave wages

Families First Coronavirus Response Act: Questions and Answers

As provided under the legislation, the U.S. Department of Labor will be issuing implementing regulations. Additionally, as warranted, the Department will continue to provide compliance assistance to employers and employees on their responsibilities and rights under the FFCRA.

Definitions

“Paid sick leave” – means paid leave under the Emergency Paid Sick Leave Act.

“Expanded family and medical leave” – means paid leave under the Emergency Family and Medical Leave Expansion Act.

Questions & Answers By Category

[Expand All](#)

> Definitions
> Eligibility
> Coverage
> Application
> Enforcement
> Return to School

<https://www.dol.gov/agencies/whd/pandemic/ffcra-questions>

Qualified sick and family leave wages

- The way that the FFCRA requirements for leave were written was to amend the original FMLA. Original FLMA indicated it applied to employers over 50 employees AND public agencies. The amendment for FFCRA changes the threshold to fewer than 500 employees but does NOT remove the public agencies. Therefore, the schools and governments ARE required to provide the paid leave. This came under division c of the FFCRA. Various Q&As also indicate this from DOL at <https://www.dol.gov/agencies/whd/pandemic/ffcra-questions>


Qualified sick and family leave wages

Division G of FFCRA is where the credits are discussed; different part of the law. Section 7001(e)(4) indicates “this credit shall not apply to the Government of the United States, the government of any State or political subdivision thereof, or any agency or instrumentality of any of the foregoing.”

Qualified sick and family leave wages

19b. Can government employers receive tax credits for providing paid leave wages under the FFCRA? (Added November 25, 2020)

No. The Federal government, the government of any State or political subdivision thereof, and any agencies or instrumentalities of those governments are not Eligible Employers and are not entitled to receive tax credits for providing paid leave wages under the FFCRA.

However, under the Department of Labor (DOL) rules, non-federal public sector employers generally must provide paid sick and family leave wages under the FFCRA, while federal public sector employers generally must provide paid sick leave wages. For more information on whether and to what extent public sector employers must provide paid leave wages under the FFCRA, see [Families First Coronavirus Response Act: Questions and Answers](#) , available at the DOL's website.

Note: To the extent that the FFCRA requires public sector employers to provide paid leave wages under the FFCRA, under section 7005(a) of the FFCRA, the paid leave wages paid by the government employer are not subject to the Employer's share of social security tax.

<https://www.irs.gov/newsroom/covid-19-related-tax-credits-what-is-an-eligible-employer-faqs#what-eligible-employer>

Qualified sick and family leave wages

51a. Does a government employer that is required to provide paid leave wages under the FFCRA have to pay the employer's share of social security tax on the paid leave wages? (added November 25, 2020)

No. Section 7005(a) of the FFCRA states that paid leave wages are not considered wages under section 3111(a) of the Internal Revenue Code (the "Code"), which covers the employer portion of the Old-Age, Survivors, and Disability Insurance tax (social security tax), or compensation under section 3221(a) of the Code, which covers the Railroad Retirement Tax Act Tier 1 rate.

51b. Does a government employer receive a credit for the employer's share of Medicare tax on paid leave wages it provides under the FFCRA? (added November 25, 2020)

No. Government employers are not Eligible Employers and are not entitled to receive tax credits for providing paid leave wages under the FFCRA.

Note that Tribal governments that provide paid sick and paid family and medical leave pursuant to the FFCRA are eligible to claim the tax credits for qualified leave wages, including for the employer's share of Medicare tax on the qualified leave wages, assuming they are otherwise Eligible Employers.

For more information, see "[What is an Eligible Employer?](#)"

Qualified sick and family leave wages

***51c. Does a government employer receive a credit for the health care expenses allocable to the qualified leave wages?
(Added November 25, 2020)***

No. Government employers are not Eligible Employers and are not entitled to receive tax credits for any health care expenses allocable to paid leave they provide under the FFCRA.

Note that Tribal governments that provide paid sick and paid family and medical leave pursuant to the FFCRA are eligible to claim the tax credits for qualified leave wages, including for any qualified health care expenses allocable to the qualified leave wages, assuming they are otherwise Eligible Employers.

For more information, see "[What is an Eligible Employer?](#)"

<https://www.irs.gov/newsroom/special-issues-for-employers-taxation-and-deductibility-of-tax-credits>

Qualified sick and family leave wages

Government employers aren't eligible for the credit for qualified sick and family leave wages; however, as with any employer, government employers aren't liable for the employer share of the social security tax on the qualified sick leave wages paid to employees.



Qualified sick and family leave wages

How to report on the 941

- Enter taxable social security wages
- Enter qualified sick leave wages on line 5a(i)
- Enter qualified family leave wages on line 5a(ii)

	Column 1		Column 2
5a Taxable social security wages . . .	<input type="text"/>	× 0.124 =	<input type="text"/>
5a (i) Qualified sick leave wages . . .	<input type="text"/>	× 0.062 =	<input type="text"/>
5a (ii) Qualified family leave wages . . .	<input type="text"/>	× 0.062 =	<input type="text"/>

Form 941

941 Instructions

<https://www.irs.gov/pub/irs-pdf/i941.pdf>

941 Form

<https://www.irs.gov/pub/irs-pdf/f941.pdf>

Qualified sick and family leave wages

How to report on the W-2

These wages will be reported in box 14 on the W-2.

- Total qualified sick leave must be labeled. The employer must use the following, or similar language:
 - “sick leave wages subject to the \$511 per day limit” and
 - “sick leave wages subject to the \$200 per day limit
- Total qualified family leave wages must also be labeled. The employer must use the following, or similar language:
 - “emergency family leave wages”

Qualified sick and family leave wages

How to report on the W-2

If you don't report on the W-2, you must provide a separate statement. If the employee receives a paper Form W-2, then the statement must be included with the Form W-2 provided to the employee, and if the employee receives an electronic Form W-2, then the statement shall be provided in the same manner and at the same time as the Form W-2.

Qualified sick and family leave wages

Model Language:

"Included in Box 14, if applicable, are amounts paid to you as qualified sick leave wages or qualified family leave wages under the Families First Coronavirus Response Act. Specifically, up to three types of paid qualified sick leave wages or qualified family leave wages are reported in Box 14:

- Sick leave wages subject to the \$511 per day limit because of care you required;
- Sick leave wages subject to the \$200 per day limit because of care you provided to another; and
- Emergency family leave wages.

Qualified sick and family leave wages

How to report on the W-2

The IRS has not announced whether it will match the qualified leave wages reported on Form 941 to the amounts reported on Form W-2.

Qualified sick and family leave wages

What if we don't claim the credit?

Disclaimer

Currently no official guidance on this.

Thoughts

- Tracking separately allows District to prove they did offer and provide EPSLA and EFLMA. May also need to track for ORS purposes.
- How much is being left on the table?
- If not reporting wages related to this on 941, likely ok not to report in box 14. But see disclaimer above.

Qualified sick and family leave wages

EXTENDED through the Consolidated Appropriations Act!

While the CAA does not extend the requirements for the paid leave mandated under the Family First Coronavirus Response Act (FFCRA), and those requirements will expire on December 31, 2020, the CAA does allow covered private employers to continue to *voluntarily* provide paid leave that was mandated until December 31, 2020, under both the Emergency Paid Sick Leave Act and the Emergency Family and Medical Leave Expansion Act. If covered employers do provide such voluntary paid leave, and they provide the leave under the same terms and conditions contained in those acts, the employer may continue to take the tax credit for such leave through March 31, 2021. It is important to note that it does not appear that this is a new bucket of leave; the CAA simply allows a covered private employer to continue to voluntarily provide the leave and take the tax credits for eligible employees who still have leave available to them under one or both of these acts.

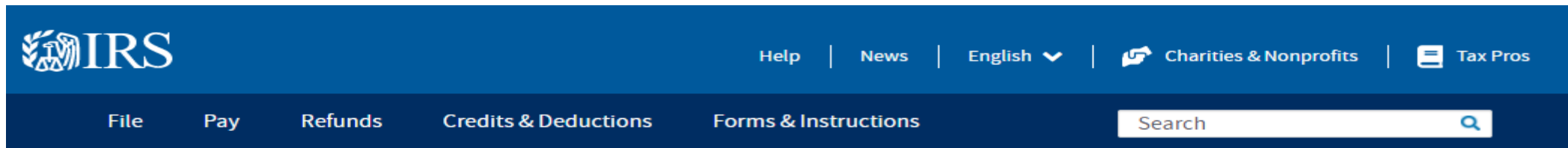


Deferring of EMPLOYER social security

Employers, including government employers, can defer the deposits and payment of the employer share of social security tax otherwise due during the calendar quarter.

Deferring of EMPLOYER social security

<https://www.irs.gov/newsroom/deferral-of-employment-tax-deposits-and-payments-through-december-31-2020>



[Home](#) / [News](#) / [Topics in the News](#) / [Coronavirus Tax Relief](#) / Deferral of employment tax deposits and payments through December 31, 2020

Deferral of employment tax deposits and payments through December 31, 2020

Deferring of EMPLOYEE Social Security

- On August 28, the IRS issued guidance that allows employers to defer the withholding and payment of the employee share of social security tax on applicable wages paid between September 1, 2020 and December 31, 2020.
- Employers may, but are not required to participate in the deferral.

Deferring of EMPLOYEE Social Security

- Employees earning less than \$104,000 per year would be able to defer
- In 2021, employers that chose to defer will then withhold the deferred amount from employees' wages paid between January 1, 2021 and April 30, 2021 and make appropriate tax payments based on the withholding date.
- It is the employer that is liable to repay the deferred amounts

Deferring of EMPLOYEE Social Security

Where to report on the 941

- Employers will report on line 13b the total deferred amount of the employer and employee share of social security tax.

13b Deferred amount of social security tax 13b

- Employers will also separately report on line 24 the deferred amount of the employee share of social security tax that is include on line 13b.

24 Deferred amount of the employee share of social security tax included on line 13b . . . 24

Deferring of EMPLOYEE Social Security

How to report on the W-2

- All social security wages will be reported in box 3 (Social Security wages)
- Do not include any deferred Social Security tax in box 4 (Social Security tax withheld)
- Report any employee social security tax deferred on Form W-2c. Enter tax year 2020 in box c and adjust the amount previously report in box c on the Form W-2 to include the deferred amount that were withheld in 2021. All forms should be filed with SSA as soon as possible after you have finished withholding the deferred amounts.

Schedule B

In October, the IRS made a change on how to report the tax liabilities.



Schedule B

<https://www.irs.gov/instructions/i941sb>

The total tax liability must equal the amount report on Form 941, line 12.

12 Total taxes after adjustments and nonrefundable credits. Subtract line 11d from line 10 . 12

Schedule B- Deferred Social Security

If you defer the employer and/or employee share of social security tax and subsequently pay or deposit that deferred amount in the same quarter, you should report the amount of the payment or deposit on Schedule B on the date of the payment or deposit and not the date of the liability.

For example, if you're a semiweekly schedule depositor that has an employment tax liability of \$10,000 every 2 weeks in the third calendar quarter of 2020 and you defer \$2,000 of the employer's share of social security tax from your first deposit, but deposit your deferred amount of \$2,000 together with your last deposit of \$10,000 during the same calendar quarter, you would report \$8,000 for your first tax liability on your Schedule B (\$10,000 minus \$2,000) and \$12,000 for your last liability on Schedule B (\$10,000 plus \$2,000).

Amending the Schedule B

- You made an error on Schedule B and the correction won't change the total liability for the quarter, you may be able to reduce your penalty by filing an amended Schedule B.
- Prepare an amended return. Write “amended” at the top of Schedule B. The IRS will refigure the penalty and notify you of any change in the penalty.
- File your return at the address provided in the penalty notice your received.

941X Instructions

Instructions

<https://www.irs.gov/instructions/i941x>

Form

<https://www.irs.gov/pub/irs-pdf/f941x.pdf>

New lines in Part 3 to adjust for reporting of COVID-19 related tax credits



Year-End Action Items



ACH Processing (holiday) Calendar

Holiday	2020	2021	2022
New Year's Day	Wed, Jan 1	Fri, Jan 1	Sat, Jan 1 ¹
Martin Luther King Jr. Day	Mon, Jan 20	Mon, Jan 18	Mon, Jan 17
President's Day	Mon, Feb 17	Mon, Feb 15	Mon, Feb 21
Memorial Day	Mon, May 25	Mon, May 31	Mon, May 30
Independence Day	Sat, Jul 4 ¹	Mon, Jul 5 ²	Mon, Jul 4
Labor Day	Mon, Sep 7	Mon, Sep 6	Mon, Sep 5
Columbus Day	Mon, Oct 12	Mon, Oct 11	Mon, Oct 10
Veteran's Day	Wed, Nov 11	Thu, Nov 11	Fri, Nov 11
Thanksgiving Day	Thu, Nov 26	Thu, Nov 25	Thu, Nov 24
Christmas Eve/Christmas Day ³	Fri, Dec 25 ³	Sat, Dec 25 ¹	Mon, Dec 26 ²

Contact employees claiming exempt on their W-4

Employees claiming exempt from withholding during the prior year on their Form W-4 must complete a new Form W-4 by February 16, 2021 to maintain their exempt status. If employees claiming exempt do not give their employer a new completed W-4 form by February 16, 2021, the employer must begin withholding federal income tax using the most recent valid W-4 or if none is available, withhold as if they are a single filer with no other adjustments. Any taxes withheld on or after February 16 and by the time the employee furnishes a new exempt W-4 are not refunded; the employee did not have a valid W-4 on file during that time.

New W-4

- The IRS released a new W-4 for 2021
- <https://www.irs.gov/pub/irs-pdf/fw4.pdf>

IRS/SSA Annual Reconciliation Process

- Both the SSA and IRS use the totals from Forms W-2 and the totals from the four quarterly Forms 941 to reconcile.
- If more wages are reported to the IRS than to SSA, the SSA tries to resolve the discrepancy.
 - Sends questionnaire to employer. Be sure to use questionnaire when responding
 - No response from employer within 45 days, SSA sends a second notice.
 - No response from the employer, the IRS is responsible for contacting the employer and may impose penalties.

Reporting Social Security Numbers on W-2

***New this year**

Employers may now use a truncate of social security number on employee copies of Forms W-2. Employers will replace the first 5 digits with X's or asterisks.

Do not truncate the employee's SSN on Copy A for SSA or copies sent to state or local governments.

Extension Period for CRF money

- MDE confirmed that as of 12/27/2020 districts may continue to incur expenditures of CRF funds (\$12.62 per-pupil District COVID Costs & \$350 per-pupil School Aid CRF) received in July and August 2020 State Aid through the amended deadline of December 31, 2021.

TITLE X--MISCELLANEOUS

SEC. 1001. CORONAVIRUS RELIEF FUND EXTENSION.

Section 601(d)(3) of the Social Security Act (42 U.S.C. 801(d)(3)) is amended by striking ``December 30, 2020'' and inserting ``December 31, 2021''.

ESSER

- CFDA # 84.425D; Grant Number 203710
- Revenue may be in 2020, 2021, or 2022 depending on the district
- Applications must be submitted by September 30th
- Equitable services requirement applies for nonpublic students (currently the same manner as provided under Title I, Part A; but this is a dynamic legal situation)
- Grant period is 3/13/20-9/30/21
- No supplanting restrictions



ESSER Eligible Expenditures

1. Any activity authorized by the ESEA of 1965
2. Coordination of preparedness and response efforts of local educational agencies with state, local, tribal, and territorial public health departments, and other relevant agencies, to improve coordinated responses among such entities to prevent, prepare for, and respond to coronavirus.
3. Providing principals and other school leaders with the resources necessary to address the needs of their individual schools.
4. Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including how outreach and service delivery will meet the needs of each population.
5. Developing and implementing procedures and systems to improve the preparedness and response efforts of local educational agencies.

ESSER Eligible Expenditures

6. Training and professional development for staff of the local educational agency on sanitation and minimizing the spread of infectious diseases.
7. Purchasing supplies to sanitize and clean the facilities of a local educational agency, including buildings operated by such agency.
8. Planning for and coordinating during long-term closures, including for how to provide meals to eligible students, how to provide technology for online learning to all students, how to provide guidance for carrying out requirements under the Individuals with Disabilities Education Act (20 U.S.C. 1401 et seq.) and how to ensure other educational services can continue to be provided consistent with all federal, state, and local requirements.
9. Purchasing educational technology (including hardware, software, and connectivity) for students who are served by the local educational agency that aids in regular and substantive educational interaction between students and their classroom instructors, including low-income students and students with disabilities, which may include assistive technology or adaptive equipment.

ESSER Eligible Expenditures

10. Providing mental health services and supports.
11. Planning and implementing activities related to summer learning and supplemental afterschool programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, students with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care.
12. Other activities that are necessary to maintain the operation of and continuity of services in local educational agencies and continuing to employ existing staff of the local educational agency.

103(2) District COVID costs

- \$12.32 per pupil that was received with the July 2020 state aid payment (20/21 revenue)
- CFDA number 21.019
- FAIN # SLT0040
- Cannot be used for something that was already budgeted for as of March 27, 2020
- Grant Period 3/1/20-12/30/20 (extended to 12/31/2021)
- Cannot supplant
- Subject to Treasury guidance released on 9/2 (more on that later)

103(2) District COVID costs -Eligible Expenditures

- **Compliance with public health measures**
 - Developing instructional programming to enable students to catch up on learning that was interrupted by the COVID-19 outbreak expense.
 - Technology improvement and curriculum development costs that are in addition to existing budgeted costs for regular curriculum development and any resources redirected to COVID distance learning preparation.
 - Designing and implementing unbudgeted benchmark assessments to determine the academic and technological needs of students due to the school closings from COVID-19 precautions.
- **Public health expenditures**
 - Expenditures for enhanced disinfection of school facilities in line with CDC recommendation in response to the COVID-19 public health emergency.
 - Expenditures for medical and protective supplies, including sanitizing products, temperature readers, and personal protective equipment to help reduce the spread of COVID-19.
 - Other health and safety measures to mitigate COVID-19 threats to school safety and public health such as signage and physical barriers to enable students and teachers to practice social distancing.

Nonexclusive examples of ineligible CRF expenditures

- Damages covered by insurance.
- Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
- Expenditures that have been or will be reimbursed under any federal program, such as the reimbursement under the federal school nutrition programs.
- Operational expenditures that were already accounted for in the most recently approved budget or unrelated to COVID-19 public health emergency.
- Reimburse costs for expenditures made prior to March 1, 2020 or after December 30, 2020.
- Research and development costs are not eligible for this program.

11p – Coronavirus Relief Funds

- \$350 per pupil received with the August 2020 state aid funds (20/21 revenue)
- CFDA number 21.019
- FAIN# SLT0040
- Cannot be used for something that was already budgeted for as of March 27, 2020
- Grant Period of 3/1/2020-12/30/2020 (extended to 12/31/2021)
- Cannot supplant
- Subject to Treasury guidance released on 9/2 (more on that later)

11p – Coronavirus Relief Funds - Eligible Expenditures

- **Compliance with public health measures**
 - Developing instructional programming to enable students to catch up on learning that was interrupted by the COVID-19 outbreak expense.
 - Payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Technology improvement and curriculum development costs that are in addition to existing budgeted costs for regular curriculum development and any resources redirected to COVID distance learning preparation.
 - Designing and implementing unbudgeted benchmark assessments to determine the academic and technological needs of students due to the school closings from COVID-19 precautions.
- **Public health expenditures**
 - Expenditures for enhanced disinfection of school facilities in line with CDC recommendation in response to the COVID-19 public health emergency.
 - Expenditures for medical and protective supplies, including sanitizing products, temperature readers, and personal protective equipment to help reduce the spread of COVID-19.
 - Other health and safety measures to mitigate COVID-19 threats to school safety and public health such as signage and physical barriers to enable students and teachers to practice social distancing.
- **Other eligible expenditures as described in [guidance](#) and [FAQ](#) documents provided by the U.S. Department of Treasury**

Nonexclusive examples of ineligible CRF expenditures

- Damages covered by insurance.
- Payroll or benefits expenditures for employees, excluding expenditures that are substantially dedicated to mitigating or responding to the COVID19 public health emergency.
- Expenditures that have been or will be reimbursed under any federal program, such as the reimbursement under the federal school nutrition programs.
- Operational expenditures that were already accounted for in the most recently approved budget or unrelated to COVID-19 public health emergency.
- Reimburse costs for expenditures made prior to March 1, 2020 or after December 30, 2020.
- Indirect costs are not eligible for this program.
- Research and development costs are not eligible for this program.

Childcare Relief



- Recognize revenue based on award date
- Office is now posting payment lists at https://www.michigan.gov/mde/0,4615,7-140-63533_63534-535052--,00.html
- Look for retroactive documentation for both revenue sources
 - Child Development and Care Block Grant (CARES – Child Care Relief) – CFDA 93.575 (awards/payments began in late March 2020). **Grant Code 498 for expenditures.**
 - Coronavirus Relief Fund – Child Care Relief Fund Grant – CFDA 21.019 (awards/payments beginning no earlier than July 2020). **Grant Code 797 for expenditures.**

These are both restricted federal revenues and should be coded under Major Class 414, Suffix 0250. Districts are encouraged to review award documentation to determine funding source(s) of their specific payments. If funding source/CFDA is unclear, districts may reach out to MDE's Child Development and Care Office at 1-866-990-3227 for additional information.

Governor's Emergency Education Relief Fund (GEER)

- CFDA# 84.425C ; Grant number 201200
- Applications were due by December 30, 2020
- Equitable services requirement applies
- Grant period 3/13/20-9/30/21
- Supplanting restrictions do not apply

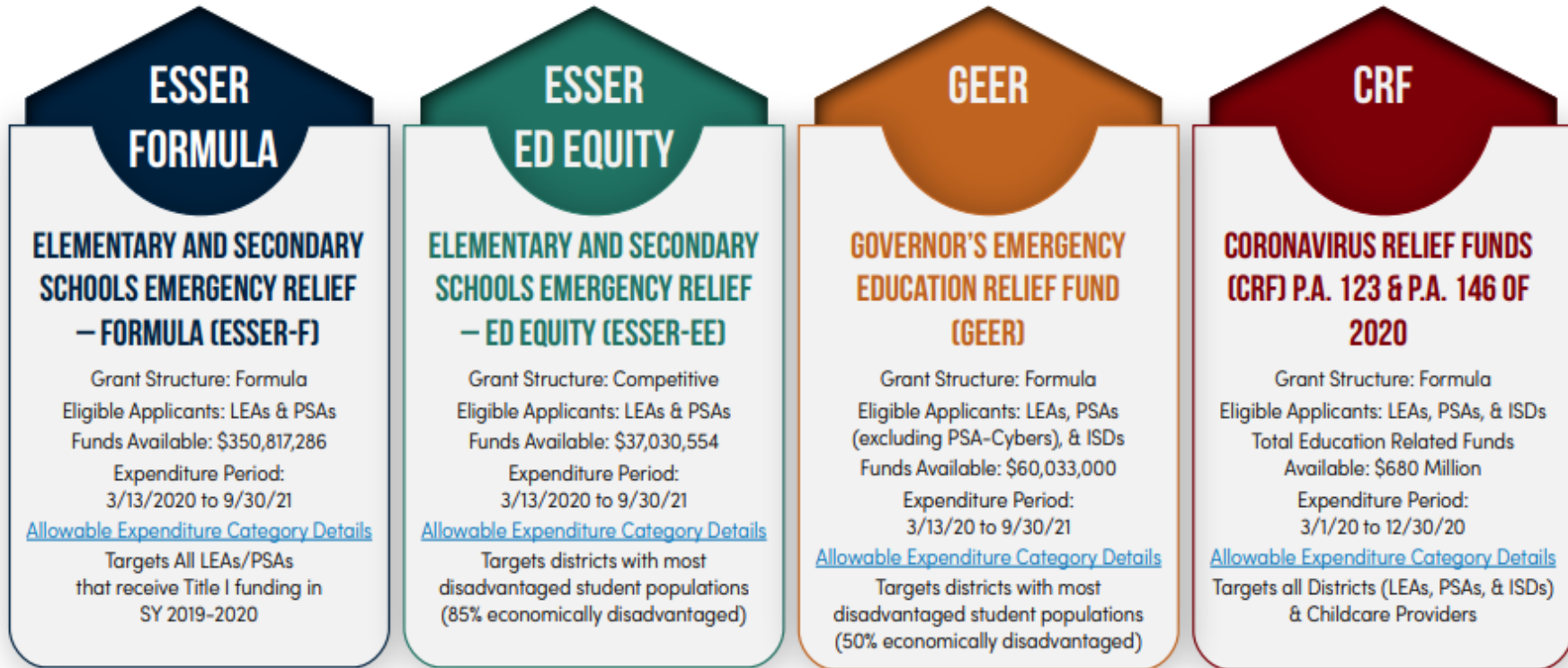
2020 every second



GEER – Eligible Expenditures

- Connectivity: Devices, internet access, access to remote services, or other similar purposes.
- Student Mental Health: Funding would enhance access to remote and in-person student mental health services.
- Addressing Learning Loss: Funding could be used by districts to offer supplementary content and intervention services to mitigate the impacts of learning loss.
- Out-of-School-Time Learning: Funds could be used to support out-of-school-time learning. These expenditures would ensure students have safe spaces to participate in remote education.
- Remote Learning Materials and Training (digital and non-digital): Funds could address both digital and non-digital content where remote learning continues as an instructional delivery model.
- Teacher Training and Curriculum: Funding could be used to provide additional professional development and curriculum modifications that allow districts to effectively facilitate distance learning while expanding their knowledge of the science of teaching.
- Other health, safety, and wellness needs identified, required, or recommended in the MI Return to School Roadmap.

AVAILABLE DOLLARS FOR EDUCATION TO ADDRESS CORONAVIRUS RESPONSE EFFORTS



Coronavirus Relief Funds (CRF) Breakdown

One Time Appropriations:

P.A. 123: \$143,000,000 to MDE

- Sec. 103 = \$125,000,000 for child care
- Sec. 103(2) = \$18,000,000 for instructional recovery programs, benchmark assessments, and health and safety - (\$12/pupil)

P.A. 123: \$327,500.00 to Treasury

- Sec. 602 = \$25,000,000 appropriation flow through to MAISA for device purchasing program and distance learning

P.A. 146: \$512,000,000

- Sec. 11p = COVID-19 response efforts - (\$350/pupil)

As of 09/02/2020

Find more information on these grants at www.michigan.gov/mde, search CARES Act.

FUNDING CATEGORIES

1. Any activity authorized by the ESEA of 1965.....**ESSER-F**
2. Coordination of preparedness and response efforts of local educational agencies with state, local, tribal, and territorial public health departments, and other relevant agencies, to improve coordinated responses among such entities to prevent, prepare for, and respond to coronavirus.**ESSER-F, CRF (SEC 103(2), 602, AND 11P)**
3. Providing principals and other school leaders with the resources necessary to address the needs of their individual schools.....**ESSER-F**
4. Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including how outreach and service delivery will meet the needs of each population.**ESSER-F, GEER**
5. Developing and implementing procedures and systems to improve the preparedness and response efforts of local educational agencies.**ESSER-F**
6. Training and professional development for staff of the local educational agency on sanitation and minimizing the spread of infectious diseases.**ESSER-F, CRF (SEC. 103(2) AND SEC. 11P)**
7. Purchasing supplies to sanitize and clean the facilities of a local educational agency, including buildings operated by such agency.**ESSER-F, CRF (SEC. 103(2) AND SEC. 11P)**
8. Planning for and coordinating during long-term closures, including for how to provide meals to eligible students, how to provide technology for online learning to all students, how to provide guidance for carrying out requirements under the Individuals with Disabilities Education Act (20 U.S.C. 1401 et seq.) and how to ensure other educational services can continue to be provided consistent with all federal, state, and local requirements.**ESSER-F, GEER, CRF (SEC 103(2), 602, AND 11P)**
9. Purchasing educational technology (including hardware, software, and connectivity) for students who are served by the local educational agency that aids in regular and substantive educational interaction between students and their classroom instructors, including low-income students and students with disabilities, which may include assistive technology or adaptive equipment.**ESSER-F, ESSER-EE, GEER, CRF (SEC 103(2), 602, AND 11P)**
10. Providing mental health services and supports.**ESSER-F, ESSER-EE, GEER**
11. Planning and implementing activities related to summer learning and supplemental afterschool programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, students with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care.**ESSER-F, GEER**
12. Other activities that are necessary to maintain the operation of and continuity of services in local educational agencies and continuing to employ existing staff of the local educational agency.**ESSER-F**

Expenditures – what's allowable?

- Be aware of OMB Memo M-20-26
 1. **Allowability of Salaries and Other Project Activities.** (2 CFR § 200.403, 2 CFR § 200.404, 2 CFR § 200.405)

Awarding agencies may allow recipients to continue to charge salaries and benefits to active Federal awards consistent with the recipients' policy of paying salaries (under unexpected or extraordinary circumstances) from all funding sources, Federal and non-Federal. Awarding



Expenditures – What’s allowable?

- Supplement vs. Supplant

- 3. The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a “substantially different use” for purposes of the Fund eligibility?***

Costs incurred for a “substantially different use” include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty’s ordinary responsibilities.

Note that a public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.



Expenditures- Period of Availability?

- What does incurred mean?

For a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred.)



Expenditures – What do I need to Document?

53. May Fund recipients incur expenses associated with the safe reopening of schools?

Yes, payments from the Fund may be used to cover costs associated with providing distance learning (e.g., the cost of laptops to provide to students) or for in-person learning (e.g., the cost of acquiring personal protective equipment for students attending schools in-person or other costs associated with meeting Centers for Disease Control guidelines).

To this end, as an administrative convenience, Treasury will presume that expenses of up to \$500 per elementary and secondary school student to be eligible expenditures, such that schools do not need to document the specific use of funds up to that amount.

FID reporting requirements

- MDE likely will require you to report 2020 expenditures through your 2021 FID submission
 - Example:
 - Debit supply expenditure account with the grant code
 - Credit supply expenditure account with no grant code



Documentation - Recommendation

- Start with the most restrictive funding source
- Identify expenditures that meet the requirements for eligibility and code accordingly
- Do the same for each grant moving from most restrictive to least restrictive
- This is a conservative approach considering Treasury's \$500 comment, but likely will prevent extra work when doing the FID

When people ask me what I spend my money on



SEFA Reporting

Identification of COVID-19 related awards on the SEFA and SF-SAC

As described in 2 CFR section 200.510(b), auditees must complete the SEFA and include CFDA numbers federal awards and subawards. To maximize the transparency and accountability of COVID-19 related award expenditures, non-federal entities should separately identify COVID-19 expenditures on the SEFA and SF-SAC. This includes the new COVID-19 only programs. This may be accomplished by identifying COVID-19 expenditures on the:

- SEFA - On a separate line by CFDA number with “COVID-19” as a prefix to the program name. Example:
 - COVID-19 - Temporary Assistance for Needy Families – 93.558 - \$1,000,000
 - Temporary Assistance for Needy Families – 93.558 - \$3,000,000
 - Total - Temporary Assistance for Needy Families – 93.558 - \$4,000,000
- SF-SAC - On a separate row by CFDA number with “COVID-19” as the first characters in Part II, Item 1c, Additional Award Information. Example:

2021 SEFA Reporting

- Subject to change – but may follow FEMA guidance that has been included in the federal compliance supplement
2. If the non-federal entity incurs eligible expenditures in its fiscal year 2014 and FEMA approves the non-federal entity's PW in the non-federal entity's fiscal year 2015, the non-federal entity records the eligible expenditures in its fiscal year 2015 SEFA with a footnote that discloses the amount included on the SEFA that was incurred in a prior year.

DCF Reporting

Row Number (auto-generated)	CFDA #		Additional Award Identification ¹	Federal Program Name	Amount Expended (\$)	Cluster Name	Federal Program Total ⁴ (auto-generated) (\$)	Cluster Total ⁵ (auto-generated) (\$)
	Federal Awarding Agency Prefix ¹	CFDA Three-Digit Extension ²						
1	93	558		TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	\$3,000,000.00		\$4,000,000.00	
2	93	558	COVID-19	COVID-19 - TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	\$1,000,000.00		\$4,000,000.00	
Total Federal Awards Expended =					\$4,000,000.00			

Questions?

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