State of Michigan
Stimulus Project Management Office

Universities & Financial Aid and Community Colleges
CRF Grant Requirements

Coronavirus Aid, Relief, and Economic Security (CARES) Act,
Public Law 116-136

Managing Agency: Michigan State Budget Office
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**CRF Grant Requirement Instructions**

The purpose of this document is to provide guidance to eligible grantees that accept funding using the Coronavirus Relief Fund (“CRF”) under the Michigan State Budget Office and Universities & Financial Aid and Community Colleges Program.

This packet contains three sections to provide subrecipients the information needed to apply and manage their program to comply with federal and state requirements. Guidance is evolving and the State of Michigan will require compliance with additional guidance as it is published.

**Section I** includes information on the program’s purpose, award amount and distribution to subrecipients, eligible uses, and specific timelines of the program.

**Section II** provides program requirements including internal controls and audit requirements that must be adhered to. Additionally, this section contains uniform Coronavirus Relief Fund guidance as the funds utilized from this program are considered federal financial assistance subject to the CRF requirements.

**Section III** includes the detailed accounting and reporting instructions for this program. This section also includes fillable forms that must be completed by the subrecipient deadlines outlined in section III. Subrecipients must review, complete, and sign all forms in this document. The managing agency will review each form for completeness.

Signatures are required on pages 15 and 16.

For any questions, contact the State Budget Office. Reach out to Michigan State Budget Office - Brent Turner at TurnerB8@michigan.gov.
Section I. Program Information

Program Description and Purpose
To assist higher ed institutions, the State Budget Office is allocating funding statewide to higher ed institutions to support health and safety expenditures necessary to provide instruction safely due to COVID-19.

Total Available Program Amount
- Universities and Financial Aid: $163,726,600
- Community colleges: $36,273,400

Uniform CRF Eligibility

Payments from the Coronavirus Relief Fund may only be used to cover expenditures that:
1. are necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease (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;
3. were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

The funds distributed as part of this program are being paid through State Aid and are comprised of restricted federal funds (making up a portion of Federal Coronavirus Relief Fund (CFDA 21.019) usage authorized by Senate Bill 373 effective July 31, 2020). Usage of these funds must comply with the federal requirements of the Coronavirus Relief Fund.

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.)

Eligible CRF expenditures under this program
- Compliance with public health measures
  o Developing instructional programming to enable students to catch up on learning that was interrupted by the COVID-19 outbreak expense.
  o 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.
- Public health expenditures
  o Expenditures for enhanced disinfection of campus facilities in line with CDC recommendation in response to the COVID-19 public health emergency.
  o Expenditures for medical and protective supplies, including sanitizing products, temperature readers, and personal protective equipment to help reduce the spread of COVID-19.
o Other expenditures for health and public safety measures to mitigate COVID-19 threats to public safety and public health such as signage and physical barriers to enable students and employees to practice social distancing.

- Medical expenditures
  o COVID-19-related expenses of public hospitals, clinics, and similar facilities.

Nonexclusive examples of ineligible CRF expenditures
- Damages covered by insurance.
- Payroll or benefits expenditures for employees with the exception of the time spent preparing for distance learning.
- Expenditures that have been or will be reimbursed under any federal program.
- 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 and R&D costs are not eligible for this program.

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures. The grants to higher ed institutions for COVID-related costs are eligible as the costs are necessary expenditures incurred by higher ed institutions to respond to the second-order effects of the emergency.

Distribution of Funds to Subrecipients
- Higher ed institutions will receive funds via the Department of Technology, Management and Budget Financial Services with check descriptions: “Aug2020-[COLLEGENAME]-CRF.”

Period of Performance
The expenditure period of CRF funds is March 1, 2020 – December 30, 2020. Refer to the Accounting and Reporting Instructions in Section III for more details.

Program Contact Information
State Budget Office
Brent Turner
Email: TurnerB8@michigan.gov
Section II. Standard Provisions: Program Requirements

Funds were awarded to the State of Michigan as Federal Financial Assistance from the U.S. Department of Treasury. The funds were awarded under the Social Security Act, as amended by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") [https://home.treasury.gov/policy-issues/cares/state-and-local-governments](https://home.treasury.gov/policy-issues/cares/state-and-local-governments) as the Coronavirus Relief Fund.

**CFDA #: 21.019**  
**FAIN #: SLT0040**

Coronavirus Relief Funds are considered federal financial assistance and have been assigned a Catalog of Federal Domestic Assistance (CFDA) or Assistance Listing Number of 21.019. The State of Michigan was issued $3.08 Billion for the Federal Coronavirus Relief Fund. Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. Sections 7501 – 7507) and the related provisions of the Uniform Guidance, 2 Code of Federal Regulations (CFR) Section 200.303 regarding internal controls, Section 200.330 – 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements. Under the Single Audit Act, subrecipients will need to report expenditures under this program using the CFDA number 21.019.

Each eligible subrecipient must register with the Federal System for Award Management (SAM) by September 1, 2020. The SAM website is: [https://www.sam.gov/SAM](https://www.sam.gov/SAM).

**Use of Funds:**

The CARES Act requires that the payments from the Coronavirus Relief Fund only be used to cover expenditures that:

1. are necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease (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;
3. were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

**OMB Uniform Guidance for Non-federal Agencies Receiving These Funds**

The U.S. Department of Treasury has indicated in the Coronavirus Relief Fund Frequency Asked Questions that are accessible at [Coronavirus Relief Fund FAQ pdf](https://www.treasury.gov) that the provisions of the Uniform Guidance, 2 Code of Federal Regulations (CFR) Section 200.303 regarding internal controls, Sections 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements are applicable to all CRF subawards at this time. However, guidance is evolving, and jurisdictions will be required to comply with additional guidance as it is published. Effective internal controls must be established and maintained (2 CFR Section 200.303). All reimbursements requested under this program should be accounted for with supporting documentation. Subrecipients should maintain documentation evidencing that the funds were expended in accordance with federal, state, and local
regulations. In accordance with federal Uniform Guidance, funds received under this program shall be included on the eligible subrecipient’s Schedule of Expenditures of Federal Awards (SEFA) and included within the scope of the eligible subrecipient’s Single Audit.

The following is a summary of Uniform Guidance provisions that have been identified as significant. Subrecipients must review the Uniform Guidance at eCFR Uniform Guidance for complete requirements.

2 CFR 200.303 Internal Controls

The non-Federal entity must:
1. Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the federal award.
2. Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.
3. Evaluate and monitor the non-Federal entity’s compliance with statutes, regulations, and the terms and conditions of Federal awards.
4. Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
5. Take reasonable measures to safeguard protected personally identifiable information.


The subrecipient or local unit receiving the subaward shall not issue any subawards to any other entity.

2 CFR 200.501 – Audit Requirements

(a) Audit required. A non-federal entity that expends $750,000 or more during the non-Federal entity’s fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.

2 CFR 200.508 – Auditee Responsibilities

The auditee must:
1. Procure or otherwise arrange for the audit, if required.
2. Prepare appropriate financial statements, including the schedule of expenditures of Federal awards.
3. Promptly follow up and take corrective action on the audit findings.
4. Provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed for the auditor to perform the audit.
Repayment for ineligible CRF expenditures or under spending

Any funds received under the authorizing legislation for this program expended by the eligible subrecipient in a manner that does not adhere to the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136 or Uniform Guidance 2 CFR 200, as applicable, shall be returned to the state. If it is determined that an eligible subrecipient receiving funds under this act expends any funds under this act for a purpose that is not consistent with the requirements of the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, or Uniform Guidance 2 CFR 200, the state budget director is authorized to withhold payment of state funds, in part or in whole, payable from any state appropriation.

All subawards are subject to future audits and subrecipients must allow the State of Michigan, any of its duly authorized representatives and/or State of Michigan’s Office of the Auditor General access to the eligible subrecipient’s records and financial statements to ensure compliance with Federal statutes, regulations and the terms and conditions of the grant award.

CRF Record Retention Requirements

Recipients of Coronavirus Relief Fund payments shall maintain and make available to the U.S. Treasury Office of Inspector General, upon request, all documents and financial records sufficient to establish compliance with subsection 601(d) of the Social Security Act as amended, (42 U.S.C. 801(d)).

Records shall be maintained for a period of five (5) years after final payment is made using Coronavirus Relief Fund monies. These record retention requirements are applicable to prime recipients and their grantees and subgrant recipients, contractors, and other levels of government that received transfers of Coronavirus Relief Fund payments from prime recipients.

Records to support compliance with subsection 601(d) may include, but are not limited to, copies of the following:

1. general ledger and subsidiary ledgers used to account for (a) the receipt of Coronavirus Relief Fund payments and (b) the disbursements from such payments to meet eligible expenditures related to the public health emergency due to COVID-19;
2. budget records for 2019 and 2020;
3. payroll, time records, human resource records to support costs incurred for payroll expenditures related to addressing the public health emergency due to COVID-19;
4. receipts of purchases made related to addressing the public health emergency due to COVID-19;
5. contracts and subcontracts entered into using Coronavirus Relief Fund payments and all documents related to such contracts;
6. grant agreements and grant subaward agreements entered into using Coronavirus Relief Fund payments and all documents related to such awards;
7. all documentation of reports, audits, and other monitoring of contractors, including subcontractors, and grant recipients and subrecipients;
8. all documentation supporting the performance outcomes of contracts, subcontracts, grant awards, and grant recipient subawards;
9. all internal and external email/electronic communications related to use of Coronavirus Relief Fund payments; and
10. all investigative files and inquiry reports involving Coronavirus Relief Fund payments.
Section III. Reporting Requirements

Additional information will be communicated to you at a future date as the subrecipient or contractor. Subrecipient must identify and develop additional reporting requirements that is specific for their program.

Statewide Reporting Requirements

The State Budget Director will report on the status of these funds to the Senate and House appropriations committees and the Senate and House fiscal agencies periodically until all funds are exhausted. U.S. Treasury reporting requirements are evolving and additional reporting guidance will be issued with more detail but the elements described below are the minimum reporting expectations.

The following represents the expenditure categories and the obligation and expenditure information you will be expected to report:

Reporting Requirements

The United States Treasury Office of Inspector General has engaged GrantSolutions, a grant and program management Federal shared service provider under the U.S. Department of Health and Human Services, to develop a customized and user-friendly reporting solution to capture the use of Coronavirus Relief Fund payments. In this regard, the GrantSolutions portal will be prepopulated with prime recipient data to include the Coronavirus Relief Fund payment amount, date, recipient Dun & Bradstreet unique identification number (DUNS number), and contact information. It is the responsibility of the prime recipients to report on uses of Coronavirus Relief Fund payments. Accordingly, each prime recipient shall report Coronavirus Disease 2019 (COVID-19) related costs incurred quarterly. The State of Michigan is currently working on a template (financial status report) that will need to be completed by grantees to assist the State with the required reporting. The following delineates the reporting requirements for the State of Michigan as the prime recipient to provide context regarding the type of information that may be collected through the reporting template:

Projects

List all projects the prime recipient plans to complete with Coronavirus Relief payments. For each project, the prime recipient will be required to enter the project name, identification number (created by the prime recipient), description, and status of completion. Once a project is entered into the GrantSolutions portal, the prime recipient will be able to report on the project’s obligations and expenditures.

Expenditure Categories

Once expenditures are entered against obligations, the prime recipient will need to select the specific expenditure category from the available options from a dropdown menu:

a. Administrative Expenses
b. Budgeted Personnel and Services Diverted to a Substantially Different Use
c. COVID-19 Testing and Contact Tracing

d. Economic Support (Other than Small Business, Housing, and Food Assistance)

e. Expenses Associated with the Issuance of Tax Anticipation Notes

f. Facilitating Distance Learning

g. Food Programs

h. Housing Support

i. Improve Telework Capabilities of Public Employees

j. Medical Expenses

k. Nursing Home Assistance

l. Payroll for Public Health and Safety Employees

m. Personal Protective Equipment

n. Public Health Expenses

o. Small Business Assistance

p. Unemployment Benefits

q. Workers’ Compensation

r. Items Not Listed Above - to include other eligible expenses that are not captured in the available expenditure categories

Each prime recipient shall also provide detailed obligation and expenditure information for any contracts and grants awarded, loans issued, transfers made to other government entities, and direct payments made by the prime recipient that are greater than or equal to $50,000 as follows.

Contracts Greater Than or Equal to $50,000

a. Contractor identifying and demographic information (e.g. DUNS number and location)

b. Contract number

c. Contract date, type, amount, and description

d. Primary place of contract performance

e. Related project name(s)

f. Period of performance start date

g. Period of performance end date

h. Quarterly obligation amount

i. Quarterly expenditure amount

j. Expenditure categories (listed above)

Grants Greater Than or Equal to $50,000

a. Grantee identifying and demographic information (e.g. DUNS number and location)

b. Award number

c. Award date, amount, and description
Loans Greater Than or Equal to $50,000

a. Borrower identifying and demographic information (e.g. DUNS number and location)
b. Loan number
c. Loan amount, date (date when loan signed by prime recipient and borrower), and description
d. Loan expiration date (date when loan expected to be paid in full)
e. Purpose of loan
f. Primary place of performance
g. Related project(s)
h. Quarterly obligation amount
i. Quarterly payments on outstanding loans
j. Recipient plans for reuse of Coronavirus Relief Fund loan repayments
k. Loan/expenditure categories

Transfers to Other Government Entities Greater Than or Equal to $50,000

a. Transferee/government unit identifying and demographic information (e.g. DUNS number and location)
b. Transfer date, amount, and description
c. Related project(s)
d. Quarterly obligation amount
e. Quarterly expenditure information
f. Expenditure categories (listed above)

Direct Payments Greater Than or Equal to $50,000

a. Payee identifying and demographic information (e.g. DUNS number and location)
b. Direct Payments amount and date
c. Related project(s)
d. Quarterly obligation amount
e. Quarterly expenditure amount
f. Expenditure categories (listed above)

Aggregate reporting below $50,000

Aggregate reporting is allowed on contracts, grants, transfers made to other government entities, loans, direct payments, and payments to individuals that are below $50,000.

Reporting on Expenditures
Subrecipients will be required to periodically report on spend and the forecasted spend throughout this grant program. Below are the reporting dates and requirements for each subrecipient. Templates will be provided in the future for you to use for this reporting.

<table>
<thead>
<tr>
<th>Reporting Period</th>
<th>Report Due Date</th>
<th>Reporting Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2020 – September 30, 2020</td>
<td>October 7, 2020</td>
<td>Grant Opening Certification</td>
</tr>
<tr>
<td></td>
<td>October 28, 2020</td>
<td>Financial Status Report</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Grant Closing Certification</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Expenditure Location Report</td>
</tr>
</tbody>
</table>

The Final Financial Status Report must be submitted with the Grant Closing Certification, Expenditure Location Report, and Outcome Metric Report by January 30, 2021.
Accounting for New “College/University COVID Costs” Funds (“CRF Funds”)

In the August 2020 state aid payment, community colleges and universities will receive a new allocation called “Coronavirus Relief Fund – Operational Share” in an amount equal to 11% of the colleges'/universities' state operations funds. These funds are restricted federal funds (making up a portion of Federal Coronavirus Relief Fund (CRF) (CFDA 21.019) usage authorized by Public Act 146 of 2020 signed into law on July 31, 2020).

The expenditure period of CRF funds is March 1, 2020 – December 30, 2020. However, since the legislation establishing this funding was not signed into law during colleges’ and universities’ 2019-20 fiscal year, these revenues should not be recognized in 2019-20 financial reporting or audited financial statements. This does not apply to those institutions with a fiscal year ending September 30, 2020. Details regarding eligible expenditures, grant-specific reporting requirements, and other information has been made available by the U.S. Department of Treasury. Additional guidance and information webinars are being developed by the State Budget Office.

Eligible CRF expenditures should be recorded in the fiscal year in which they were incurred, either fiscal year 2019-20 or fiscal year 2020-21. However, any 2019-20 CRF expenditures will be reported on the fiscal year 2020-21 SEFA rather than the fiscal year 2019-20 SEFA; colleges and universities choosing to charge 2019-20 expenditures to these funds are encouraged to work with their auditor to determine additional reporting implications.

CRF revenues should be recorded in fiscal year 2020-21 to the extent that eligible expenditures were incurred in fiscal year 2019-20 and as additional eligible expenditures are incurred during fiscal year 2020-21.
Michigan State Budget Office

________________________________________(Higher Ed Institution Name)

Universities & Financial Aid and Community Colleges Program - Reporting Form
Grant Opening Certification

I, __________________, am an official of ___________________________ (Higher Ed Institution Name), and I certify that:

1. I have the authority on behalf of ___________________________ (Higher Ed Institution Name) to certify the payment from the State of Michigan from the Coronavirus Relief Fund as created in the CARES Act.

2. I understand the State of Michigan will rely on this certification as a material representation in issuing a Universities & Financial Aid or Community Colleges Program payment to ___________________________ (Higher Ed Institution Name).

3. ___________________________ (Higher Ed Institution Name), is receiving payment for the eligible expenditures listed in this document and will be used only to cover those costs.

4. All subrecipients receiving funds under the Universities & Financial Aid or Community Colleges Program shall retain documentation supporting the reporting requirements in this document. Such documentation shall be provided to the state upon request and maintained by the grantee for (5) years.

5. Program funds provided pursuant to this guidance and certification cannot be used as a revenue placement for lower than expected tax or other revenue collections.

6. Program funds received pursuant to this guidance and certification cannot be used for expenditures for which the higher ed institution has received any other federal funds or emergency COVID-19 supplemental funding (whether state, federal, or private in nature) for the same expense.

7. Program funds received pursuant to this guidance and certification cannot be used to reimburse or subaward another subrecipient or local unit of government.

8. I have read and agree on behalf of ___________________________ (Higher Ed Institution Name) to comply with all applicable provisions and requirements corresponding to the receipt of funds required in the Coronavirus Aid, Relief, and Economic Securities Act, Public Law 116-136 or Uniform Guidance 2 CFR 200.
9. Further, that I understand and agree on behalf of _________________________ (Higher Ed Institution Name) that any funds received under this act and incurred in any manner that does not comply with the Coronavirus Aid, Relief, and Economic Securities Act, Public Law 116-136 or Uniform Guidance 2 CFR 200, as applicable shall be returned to the State of Michigan. Any funds that are provided by the State of Michigan under the Universities & Financial Aid or Community Colleges Program that are found to be based on inaccurate, nonqualifying, or fraudulent information will be returned to the State of Michigan. Funds provided under the Universities & Financial Aid or Community Colleges Program must adhere to official federal guidance issued or to be issued on what constitutes a necessary expenditure as described in the guidance for the U.S. Treasury Coronavirus Relief Fund at https://home.treasury.gov/policy-issues/cares/state-and-local-governments.

10. The governing body has been notified of the submission of this report, and are aware of the Federal statutes, regulations and terms and conditions of the grant award.

I certify under the penalties of perjury set forth in Michigan Penal Code, MCL 750.423, that I have read the above certification and my statements contained herein are true and correct to the best of my knowledge.

By: ______________________________

Signature: _______________________

Title: ___________________________

Date: ___________________________
Michigan State Budget Office

______________________________(Higher Ed Institution Name)

Universities & Financial Aid and Community Colleges Program - Reporting Form

Grant Closing Certification

1. I certify the End of Program Report submitted for the Universities & Financial Aid or Community Colleges Program is accurate and adheres to all of the constraints outlined in this guidance.

2. I understand and agree that any expenditures incurred in any manner that does not adhere to official federal guidance shall be returned to the State of Michigan.

3. I understand that any subrecipient receiving funds under the Universities & Financial Aid or Community Colleges Program shall retain documentation supporting the reporting and eligibility of expenditures and obligations contained in the expenditure reports. Such documentation shall be provided by the state upon request and maintained for (5) years.

4. All funds that have not been incurred by December 30, 2020 will be or have been returned to that State of Michigan by January 30, 2021.

By: ________________________________

Signature: __________________________

Title: ________________________________

Date: ________________________________