



Back to School Funding – Coronavirus Relief Funds (CRF)

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed on March 27, provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19. The CARES Act provides assistance for American workers, families, and small businesses, and preserves jobs for American industries.

Schools are a critical component of communities and have a tremendous positive impact on the health, well-being, growth, and development of students and families. Schools themselves function as tools and resources for public health intervention by addressing core needs such as nutrition, access to health and social support services, and engagement and support of families and the community as a whole. Therefore, MDE requested and received funds to: 1) address the necessary operating costs associated with bringing children back into the classroom this fall and provide support for when other learning models are deployed, and 2) support to related student, family, and educator needs.

Additional operating funds are needed by schools to address health and safety measures beyond what schools have budgeted for. Schools receiving funds will be able to use these for purchases and services including but not limited to cleaning supplies and equipment, school aged childcare costs for emergency workers, and increased costs for transporting students at a smaller capacity.

Distance learning plans, feedback groups, and family survey responses all articulated a need for increased student, family, and educator support. Technology, learning loss, mental health, social-emotional learning, and staff professional development were the areas of most concern. As a result, funds can also be used to support these activities including but not limited to: technology devices, digital training, tutors, and professional development focused on learning models.

Program and Aid Approval

Section 5001 of the CARES Act established the \$150 billion Coronavirus Relief Fund (CRF), providing payments to State, Local, and Tribal governments navigating the impact of the COVID-19 outbreak. The CARES Act sets criteria that expenses must meet to be eligible for CRF funding. The CARES Act specifies that payments can be made:

- For necessary expenditures as a result of the COVID-19 public health emergency.
- For costs not be accounted for in the current budget.
- Funds must be spent and drawn by December 30, 2020.

Prior Approval

LEAs are required to secure prior approval from the Division of School Finance prior to undertaking any obligation or purchasing of equipment that is either greater than \$5,000 or meets the LEAs capitalization threshold. They must also seek prior approval for all construction and remodeling proposals. LEAs may email a request for prior approval to the Special Education Funding and Data Team (mde.spedfunding@state.mn.us . MDE has no authority to approve any of these expenditures after the fact.

Additional guidance regarding documentation, support and how to seek approval for these types of expenditures is located at the end of this document.

Frequently Asked Questions

Q – If we complete our application with specific costs and it gets approved, and then a new cost comes up in the fall, would we able to still use the grants for the new costs that come up if those costs were not in the original application?

A – Yes, you can amend your budget in SERVS.

Q – What type of documentation will be required to support draws?

A – Along with schools regular annual audits, MDE will conduct a reconciliation and review of expenditures that didn't require prior approval during the yearend closeout process similar to other federal funding. Schools are expected to document and maintain all support necessary to support salaries, services and goods reimbursed with CRF funds. Documents for time and effort could include staff schedules, calendar, PARs or similar. For contracts and purchase of goods documentation could include purchase orders, signed contracts, invoices, receipts, payment reports, canceled check, approvals and other supporting documents in line with your school's purchasing policy.

Q – I heard that if we receive funds from our county we can't apply for FEMA funds. Is that true?

A – This is not true. A school can receive both CRF and FEMA funds. Schools cannot however, seek reimbursement with CRF funds for expenditures already reimbursed with FEMA funds. Double dipping of any federal funds is not allowed.

Q – Can we use the CRF funds for extra bus routes for transportation, can we then use the ESSER funds after December for those extra routes?

A – Yes.

Q – A lot of the approved CRF allowed expenses are for supplies. Can we use CRF funding for additional custodial staff and teachers in order to ensure young learners are in the classroom?

A – Yes, as long as they are additional to any that were funded prior to COVID.

Q – Do we need to allocate a portion of our CRF money to nonpublic school districts as we had to do with ESSER and GEER?

A – No.

Q – I can use the CRF funds for an additional teacher until December 30, 2020 and then afterwards can I use ESSER funds?

A – Yes.

Q – How quickly will MDE be approving the CRF application?

A – As soon as possible. Some applications have already been approved in SERVS. The length of time depends on the complexity of the schools application and information provided, specifically in the “other” area. Budget approvals will be similarly dependent on complexity and whether some costs require prior approval.

Q – Has MDE determined UFARS coding for the spending?

A – Yes, the grid was included in the presentation. It will be updated to account for codes for food service equipment and buses. Allowable UFARS code combinations will be available under Chapter 10 of the 2021 UFARS Manual for Finance Code 154. This is located on the MDE Financial Management > [UFARS website](https://education.mn.gov/MDE/dse/schfin/fin/UFARS/) (https://education.mn.gov/MDE/dse/schfin/fin/UFARS/).

Q – When will application materials be ready? Any additional information?

A – The application is available in SERVS now.

Q – Has there been a potential allocation of CRF funds by district yet? If so where can it be found?

A – Yes, it’s on the [MDE CARES Act Funding](#) Webpage.

Q – Can a school district charge families for delivering meals to the students in the distance learning model?

A – No.

Q – Our school district is receiving funds from our county that they are allocating to us from CARES funds. My question is, even though it is coming from our county, what finance code should we use to report revenue and expenditures?

A – We have recently added Finance Code 174, Other Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Funding Received through Other Local Entities (Funds 01, 02 and 04). The description below is an excerpt for school districts.

“School districts should use this code to record revenues and expenditures due to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funds received from Minnesota counties, cities or townships. These funds were provided to districts through the Coronavirus Relief Fund 21.019.”

The FY 21 UFARS Chapter 10 will be posted above the FY 20 UFARS Manual very soon.

Q – Will time and effort be required if a school district uses CRF funds to pay for salaries?

A – Yes. As with any federal grant, time and effort reporting is required. A CRF funds grantee must maintain appropriate records and cost documentation as required by 2 CFR §200.302 (financial management), 2 CFR § 200.430(i) (standards for documenting personnel expenses), and 2 CFR §200.333 (retention requirements for records) to substantiate the charging of any compensation costs related to interruption of operations or services.

Operational Costs

Q – Can CRF funds be used to purchase buses, vans or other vehicles?

A – CRF funds can be used to purchase vehicles for student transportation so long as the school is doing so to meet state and LEA guidelines for student transportation. Eligible reasons could include:

- The need for more vehicles due to reduced capacity on current vehicles, whereby adding additional routes.
- They may also use the funds to purchase vehicles to distribute supplies, materials and meals if they are unable to meet student needs with their current fleet.
- Vehicles may also be purchased for staff travel to student’s home to help with technology issues.

Please see the Safe Learning Plan for the 2020-21 School Year for requirements around home visits by school staff for additional guidance. Schools may not purchase vehicles for transporting COVID positive students to and from school. Please see the Chapter 10 grid for coding the purchase of vehicles whether used for student transportation or other uses. All vehicle purchases require prior approval. See the Vehicle Purchase Request section for further information. Since schools will be using federal funds they can charge only a portion of the cost to a finance code based on usage. That will need to be included in their prior approval documentation along with their funding information.

Q – Can CRF funds be used to purchase a vehicle for transporting special education students due to COVID and need for reduce capacity on current buses and vans?

A – Vehicles for transporting special education students should continue to be charged to special education. Whereby, either using federal, state or Medical Assistance funds. Vehicles purchased with federal special education funds are fully reimbursed in the year of purchase whereas vehicles purchased with state or MA funds are depreciated through the state special education formula by 5 or 8 years depending on vehicle type.

Supporting Student, Family and Educator Needs

Q – Can CRF funds be used for HVAC improvements for air quality?

A – Yes. Schools will still need to follow all federal requirements regarding purchasing equipment and/or construction and remodeling costs. Furthermore, to be eligible the equipment and/or installation must be

purchased, delivered and installed prior to December 30, 2020. See the UFARS Chapter 10 grid for eligible coding options for purchasing equipment and remodeling costs.

Q – Can CRF funds be used to purchase disposable silverware, etc. for food service?

A – Yes. One supply, object 401 and equipment, object 530 code has been made available in UFARS under Fund 02.

Q – Could CRF funds being used for mobile racks to distribute lunches to classrooms?

A – Yes, see previous question for added codes.

Q – Can CRF Funds be used for a long term sub if staff needs to be out for COVID reasons?

A – Yes, for the time between July 1 and December 30, 2020.

Q – We paid teachers extra hours to help with planning. Does that qualify?

A – This is an eligible expenditure as long as the extra hours worked are outside of their contracted hours and the time was not budgeted for prior to the COVID-19 pandemic.

Q – Can we use CRF funds for items to increase outdoor classroom opportunities such as tables, chairs etc.?

A – Yes. As long as it has been identified as a reasonably necessary expenditure that occurred as a result of the COVID Pandemic.

Q – Are our schools allowed to give money directly to families for tutoring services the school could not provide?

A – Schools may not reimburse families directly for any services or costs. Federal law requires schools to follow purchasing/contracting guidelines which are related to size of the contract. Furthermore, federal requirements state that the contractors must be appropriately licensed and trained for the services they are providing. This requirement would not be met if the funds are being paid directly to the family. Schools may choose to contract for additional services to provide families with additional supports to meet their distant and hybrid learning models, but the contract must be between the school and the private provider.

Q – Can CRF funds be used to purchase desks, tables and chairs so as to accommodate social distancing among classrooms?

A – Yes, if the school is purchasing classroom equipment to accommodate social distancing that cannot be provided with current equipment or if current equipment would cause a severe reduction in classroom size due to restrictions then yes schools can use CRF funds to purchase new equipment so as to maximize the classroom space while maintaining social distancing requirements.

Q – Can CRF funds be used to pay teachers for extra time including but not limited to extra duty for teachers assigned to lunch duty due to students eating in classrooms, additional workshop and training days, etc.?

A – If teachers are being paid to work extra hours beyond what is identified in their contract for work and services directly related to COVID-19, then yes those additional costs would be an eligible use of their CRF funds.

Q – Can CRF be used for increased staff costs, including custodial work or healthcare services work?

A – If you are hiring new staff or increasing current staff percent of time and you did not budget for that expense prior to COVID-19, then yes, you can use CRF funds to pay for those increased costs but only through December 30, 2020.

School-age Care for Essential Workers

Q – School-Age Care - what expenses associated with this? Just hourly for care givers or overhead for Community Ed staff? We would have furloughed if no child care.

A – If the employees in question were funded prior to COVID-19 then no, you could not use CRF funds to cover the costs for these staff to provide child care this fall. Only those costs that are over and above what you budgeted for prior to COVID-19 are eligible.

Non-Eligible Costs

Q – Can CRF funds be used to purchase additional equipment for athletics to promote social distancing?

A – No. These are funds are for educational uses.

Q – MDE guidance has been that the cost to pay our transportation vendors on days that the special education students are in distance learning cannot be coded to SPED funding. Can CRF funds be used to cover these costs to pay vendors on these days where normal SPED costs will not be covered? Keeping our vendors solvent is essential to maintaining transportation services in the long run.

A – No, this would not be an eligible expenditure. You can't use CRF funds to supplant costs you already had in your budget.

Q – Can CRF funds be used for curriculum, or upgrades to current online learning platforms?

A – Curriculum is not an eligible use of funds due to it being a requirement of serving students regardless.

Q – Can it be used to pay emergency sick leave and FMLA leave?

A – No, these CRF funds cannot be used to cover sick or FMLA leave. ESSER would be an eligible source for this expense.

Q – Can we use these funds to cover our unemployment costs due to the furloughs from last spring?

A – No, these funds are for educational needs from July 1, 2020 until December 30, 2020.

Q – We have employees that do not have sick leave, but we would have to give them paid sick leave under the emergency sick leave

A – No, these funds cannot be used to cover paid sick leave. It is possible that ESSER funds could be used for this purpose.

Q – Since we are required to offer extra sick leave can we use the funds to cover the extra leave that we do not normally offer.

A – No, these funds cannot be used to offer extra sick leave. It is possible that ESSER funds could be used for this purpose.

Q – We completely changed our in-service days to prepare teachers for this 2020-21 school year. The training we did with staff was within the guidelines of social emotional learning (SEL), instructional delivery models, RTI etc. Can we use CRF money for those four days? These are not additional days.

A – CRF funds would not be eligible for this expense if the staff involved in the planning were using time that was already budgeted for in the school’s budget.

Q – Are our additional administrative costs related to accounting and reporting of these funds an allowable expense for the use of CRF funds?

A – No. administration is not an eligible use of the MDE CRF proposal. The cost of administration, including superintendents, executive directors, principal, business office, human resources, etc. are considered the cost of running an LEA and therefore are not eligible. You could use ESSER funds for this purpose.

Q – Can the funds be used to develop a “virtual learning academy” to replace or supplement distance learning?

A – The timeframe for the development, approval and implementation of a virtual learning academy would not be feasible to support fall learning, therefore, CRF funds should not be used for this purpose.

Q – Can CRF funds pay for portable toilets for student use?

A – No, this is not an eligible expenditure.

Construction Requests

Construction or remodeling needs prior approval. MDE has no authority to approve any of these expenditures after the fact. The superintendent must sign the request and include answers to the following:

1. Explain the purpose of the project.
2. Describe where the remodeling or construction is to occur. Include what specific building or space to be remodeled.
3. Include whether the area is owned by the LEA or leased space.
4. Explain how the completed remodeling is necessary and a result of the COVID-19 public health emergency.

5. Provide the estimated start and finish date.
6. Provide the name of the construction company.
7. Provide the itemized estimate from the builders.
8. Estimate the total cost of the project.

Send the request to the [Special Education Funding and Data Team \(mde.spedfunding@state.mn.us\)](mailto:mde.spedfunding@state.mn.us). If approved, the LEA will receive a letter indicating how to code the expenditure.

Equipment Requests

UGG indicates that when federal funds are used to purchase equipment: “capital expenditures are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the federal awarding agency or pass-through entity.” (2 C.F.R. § 200.439 (b) (2).) If the LEA district, charter school or cooperative has policies that classify equipment at a lower value, then that value shall apply rather than the \$5,000 indicated above. Any requests received after the fact (after the date of the purchase) will be denied

The superintendent must sign the request and include answers to the following:

1. Describe what the equipment is and where the equipment will be located.
2. Explain the purpose of the equipment.
3. Explain how the equipment is necessary and a result of the COVID-19 public health emergency.
4. Provide the itemized estimate.
5. Estimate the total cost of the equipment.

Send the request to the Special Education Funding and Data Team. (mde.spedfunding@state.mn.us). If approved, the LEA will receive a letter indicating how to code the expenditure. You cannot purchased equipment before you receive prior approval is received.

MDE will deny any requests received after the fact (after the date of the purchase). MDE has no authority to approve any of these expenditures after the fact.

It is the LEA’s responsibility to establish and maintain an inventory. The LEA must inventory and tag device as a COVID-19 purchase. Equipment must be available for inspection during monitoring and auditing activities. When the device is no longer needed, it must be managed or disposed of in accordance with UGG, section 200.313(e).

Vehicle Purchase Request

CRF funds may be used to purchase a vehicle. The LEA needs to provide a written request to purchase a vehicle prior to obligating and spending federal CRF funds. The superintendent/executive director must sign a written request that includes the following:

1. The vehicle year, model and make.
2. The name of the dealership or seller.
3. The cost estimate or quote.
4. The fiscal year in which the funds will be obligated.

- 5. The type of funds to be used (in case supported with multiple funding streams).
- 6. All purposes and functions of the vehicle to be purchased.
- 7. The Vehicle Identification Number (VIN) for the vehicle, if available.

Send the request to the [Special Education Funding and Data Team \(mde.spedfunding@state.mn.us\)](mailto:mde.spedfunding@state.mn.us). If approved, the LEA will receive a letter indicating how to code the expenditure. You cannot purchase the vehicle with federal funds before prior approval is received. MDE has no authority to approve use of federal funds for these expenditures after the fact.

Figure 1 Criteria for Distinguishing Equipment from Supplies

If any answers are “No” on this figure, the item is a supply, not equipment.

ITEM

Last more than one year

↓ Yes

Independent unit rather than incorporated into another unit item

↓ Yes

Cost equals or exceeds the lesser of the capitalization level established by the LEA for financial statement purposes, or \$5,000

↓ Yes

= Equipment

Table 1-1 Obligation as Defined According To (34 C.F.R. § 76.707)

If the obligation is for	The obligation is made
(a) Acquisition of supplies, materials, equipment.	On the date on which the LEA makes a binding written commitment to acquire the property.
(b) Personal services by an employee of the LEA.	When the services are performed.

If the obligation is for	The obligation is made
(c) Services by a contractor who is not an employee of the LEA.	On the date on which the LEA makes a binding written commitment to obtain the services.
(d) Public utility services (such as electronic/communication services).	When the LEA receives the services.
(e) Travel.	When the travel is taken.
(f) Rent.	When the LEA uses the property.

Time and Effort Recording Updates and Alternatives

LEAs must document time and effort for all staff and contractors funding with COVID-19 CFR 154 funds.

Whether a contractor or employee, the service provider must hold the appropriate licensure or credential to be allowable.

Contractors must provide an invoice or other billing documentation for services performed in order for a LEA to receive reimbursement from COVID-19 CFR 154 funds.

The LEA must be able to demonstrate that the amount of time charged to COVID-19 CFR 154 funds is at least the amount of actual time the position worked on COVID-19 allowable activities. Suggested supporting documentation includes a schedule that reflects actual work, personnel activity reports, or any type of time tracking system. Not acceptable documentation includes pro-ratio based on student population or program budget size, budgeted or projected figures, time sampling, or percentage written into a position description.