

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer



Office of Integrity and Oversight

TO: Jeff DeWitt, Chief Financial Officer
Office of the Chief Financial Officer

FROM: Timothy Barry, Executive Director *Timothy Barry*
Office of Integrity and Oversight

DATE: September 29, 2020

SUBJECT: Report on the Proactive Survey on the COVID-19 Federal Funding (OIO No. 20-03-19 OCFO)

The Office of Integrity and Oversight (OIO) conducted a Proactive Survey on the Coronavirus disease (COVID-19) Federal Funding Disbursement Recordation. The survey period was July 10, 2020 through August 25, 2020. This report summarizes the results of our survey.

The objectives of the survey were to: (1) gather information and understanding on the method used to document and record COVID-19 Federal funding and (2) gather information on the funding requirements from the Federal Awards for comparison with the recordation and documentation process.

Overall, the OCFO has developed a methodology to document and record COVID-19 Federal Funding and each Federal Award has recordation and documentation requirements based on the type of award received. For Single Audit purposes, the District will need to ensure that agencies maintain all required documentation and monitor and observe the COVID-19 Federal grant awards period of performance. As it relates to the Coronavirus Relief Fund, these funds expire on December 30, 2020. If the funds are not expended, the funds will have to be returned to the Treasury.

Should you have any questions related to the report, please contact me at (202) 442-6433; or Tisha Edwards, Director of Internal Audit, at (202) 442-6446.

Attachment

DISTRIBUTION:

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Cluster

Background

To aid the nation’s recovery from the Coronavirus (COVID-19) pandemic, the US Congress passed four (4) special appropriations laws for the Federal Government to use in relief efforts. The largest of these was the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act and other supplemental legislation are providing financial relief to states and local governments in response to the pandemic.

Objective, Scope, and Methodology

The objectives of this proactive survey were to: (1) gather information and understanding on the method used to document and record COVID-19 Federal funding, and (2) gather information on the funding requirements from the Federal Awards for comparison with the recordation and documentation process.

To gain an understanding of the COVID-19 Federal funding reporting and record retention requirements, we researched publication/notifications from Office of Management and Budget (OMB) memorandums, National Association of State Auditors, Comptrollers and Treasurers (NASCAT) newsletters, American Institute of Certified Public Accountants (AICPA) newsletters, AICPA Government Quality Controls Center (GAQC) Alerts, Thompson Grant newsletters, and attended Thompson Webinars on Single Audit and COVID-19 funding.

To determine the impact of this funding on the OCFO, we sent survey questions to all six (6) of the Office of the Chief Financial Officer (OCFO) clusters¹ Associate Chief Financial Officers on July 9, 2020 with following questions:

1. Did your cluster receive Federal funding to deal with the COVID-19 Pandemic?
2. If yes, please list the specific agencies that received funding and their contact person.
3. Did you develop specific directives, policies and procedures for dealing with the COVID-19 Federal funding – recordation and documentation?

¹ The six clusters include: Economic Development and Regulation, Education, Government Operations, Government Services, Human Support Services, Public Safety and Justice.

4. If so, please attach a copy of the directive, policies and procedures with your response.

We then followed-up with additional requests for information and questions to the agencies that received Federal funding (July 17, 2020 to August 14, 2020) including:

- Detailed information on the COVID-19 Federal funding received by the agency such as: (1) Grant Amounts; (2) Catalog of Federal Assistance (CFDA) number; (3) Grant Award number.
- An electronic copy of the COVID-19 Funding grant awards, and/or agreements.
- Inquired on the agency's ability to produce a FY 2020 year-end agency Schedule of Expenditures of Federal Awards (SEFA) that specifically reports the COVID-19 Federal expenditures similar to that were reported for the American Reinvestment and Recovery Act (ARRA) Federal awards based on the current recordation of the COVID-19 Federal awards recordation.

We held virtual meetings with Cluster Controllers and Agency Fiscal Officers to get detailed information on specific grant awards and/or other Federal financial assistance. Additionally, we obtained COVID-19 funding budget information from the OCFO Office of Budget and Planning (OBP) and the District's third quarter (June 30, 2020) SEFA from the Office of Financial Operations and Systems (OFOS). Based on the information obtained during the survey period, we compiled a Summary Spreadsheet on COVID-19 Federal grant awards received by the clusters/agencies and compared the data with the June 30, 2020 SEFA and budget information for the Coronavirus Relief Fund and Unemployment Insurance from OBP on August 20 and August 27, 2020.

Our survey was limited to the District of Columbia Government agencies and did not include the United Medical Center or COVID-19 Federal funding designed to assist individuals directly such as the \$1,200 checks mailed to individuals, or the Paycheck Protection Program designed to provide loans to businesses to enable them to keep employees on the payroll.

This proactive survey does not constitute an audit conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS).

PROACTIVER SURVEY RESULTS AND OBSERVATIONS

The clusters reported the District was awarded CARES Act Federal funding to include:

- Coronavirus Relief Fund - which is administered by the US Treasury;
- Federal grant awards (including Unemployment Insurance) subject to Single Audit; and
- Other Federal assistance-not subject to Single Audit.²

Coronavirus Relief Fund

The Federal Government provided the District with a lump sum payment of \$495,138,063 from the Coronavirus Relief Fund. On March 27, 2020, the CARES Act, Title V³, established the Coronavirus Relief Fund to aid state and local governments during the pandemic. The CARES Act requires the payments from the Coronavirus Relief Fund only be used to cover expenses that: (1) are necessary expenditures incurred due to a public health emergency with respect of COVID-19; (2) were not accounted in the budget most recently approved as of March 27, 2020 (the date of CARES Act enactment) for the state or local government; and (3) were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

The US Treasury Office of the Inspector General (OIG) issued administrative guidance to prime recipients of this funding and indicated: (1) If a government has not used what it has received to cover costs that were incurred by December 30, 2020, those funds must be returned to the US Department of Treasury; (2) Fund payments are Federal financial assistance subject to the Single Audit Act and the related provisions of the Uniform Guidance regarding internal controls, subrecipient monitoring and management, and audit requirements; and (3) The CFDA number assigned to the Fund is 21.019.

The Office of Budget and Planning (OBP) issued guidance to the clusters on requesting and recording use of the Coronavirus Relief Fund. Agency heads or delegates are required to submit requests to use the Coronavirus Relief Fund to the Mayor's Budget Director for approval. Agencies are to account for the use of the fund in the System of Accounting and Reporting (SOAR) under State Fund 0501.

² The Emergency Planning and Security Fund, managed by the PSJC, received an additional \$5,000,000 and the Unemployment Compensation Fund – Reimbursement to Employers managed by the GOC, received an additional \$806,800.

³ <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>

As of August 27, 2020, OBP reported the following budget authority transfers against the Coronavirus Relief Fund:

**Coronavirus Relief Fund
Budget Authority Transfers
as of August 27, 2020**

Beginning Balance		495,138,063
<i>Budget Authority Transferred (by Cluster) in FY 2020:</i>		
Human Support Services Cluster	4,995,456	
Economic Development & Regulation Cluster	28,300,000	
Government Operations Cluster	36,500,000	
Education Cluster	10,102,491	
Total Budget Authority Transferred at 8/27/2020		(79,897,947)
FY 2021 Budget Authority		(37,717,309)
Remaining Balance at 8/27/2020		377,522,807

Source: OBP

As of September 22, 2020, SOAR now shows \$222 million of the fund is unallocated. The funds will expire on December 30, 2020 and if not expended, the funds will have to be returned to the US Treasury.

Federal Grant Awards

As of August 27, 2020, the clusters reported grant awards of over \$1 billion - including Unemployment Insurance estimated funding of \$802.3 million. The summary of the funding by cluster is as follows:

Summary Table of COVID-19 Grant Awards⁴:

Cluster	Grant Award Amount
Human Support Services Cluster (as of 7/16/2020):	147,650,799
Education Cluster (as of 7/28/2020):	71,083,286
Economic Development & Regulation Cluster (as of 8/12/2020):	11,949,922
Government Services Cluster (as of 7/16/2020):	2,776,428
Government Operations Cluster (as of 8/5/2020):	816,654,125
Public Safety & Justice Cluster (as of 7/31/2020):	7,227,641
Total Estimated Funding	1,057,342,201

Source: Cluster Responses compiled by OIO

⁴ For detailed funding information - see Exhibit 1 of this report.

The Federal government's Office of Management and Budget (OMB) issued guidance to recipients of COVID-19 funding in OMB Memorandum M-20-26⁵ which states that in order to provide adequate oversight of the COVID-19 Emergency Acts funding and programs, recipients and subrecipients must separately identify the "COVID-19 Emergency Acts expenditures" on the Schedule of Expenditures of Federal Awards (SEFA) and in audit report findings. Therefore, like the SEFA reporting for the for American Reinvestment and Recovery Act (ARRA) Federal grants, the District must identify and report the COVID-19 Federal funding as a separate line item in the FY 2020 SEFA.

The OBP issued guidance to the clusters on recording COVID-19 related Federal funding in the System of Accounting and Reporting (SOAR). All OCFO cluster personnel that received COVID-19 Federal financial assistance and/or grant awards, stated that they have separately identified and recorded COVID-19 grant funding in SOAR (State Fund 501 per OBP instruction), and should be able to produce a FY 2020 year-end SEFA that is similar to those reported for American Reinvestment and Recovery Act (ARRA) Federal grants. OIO noted the Office of Financial Operations and Systems (OFOS) third quarter District SEFA identified COVID-19 related funding.

It should be noted that the COVID-19 grant awards have varying project performance periods; therefore, it is incumbent on the agencies to ensure that they monitor the period of performance and maintain all required documentation to support costs incurred.

⁵ OMB Memorandum M-20-26 was issued on June 18, 2020. <https://www.whitehouse.gov/wp-content/uploads/2020/06/M-20-26.pdf>

EXHIBIT 1:**COVID-19 FEDERAL GRANT AND OTHER FEDERAL ASSISTANCE**

Agency	Grant Name	Federal Assistance Amount	Grant Award Amount	CFDA #	Comments
<i>Human Support Services Cluster (as of 7/16/2020):</i>					
Department of Human Services	Emergency Solutions Grant Program (ESG CV-2)		27,726,934	14.231	Award date:7/20/2020
Department of Human Services	Community Services Block Grant		16,151,907	93.569	Award date:5/8/2020; project period: 3/27/2020 - 9/30/2022
Department of Human Services	Family Violence		75,794	93.671	Award date:5/11/2020; project period: 3/27/2020 - 9/30/2021
Department of Human Services	SNAP		Entitlement	10.535	
Department of Health	Coronavirus Supplemental Funding - Public Health Emergency Response Cooperative Agreement for Emergency Response Public Health Crisis Response		6,148,298	93.354	Award date: 6/12/2020; project period: 3/16/2020 - 3/13/2021
Department of Health	COVID-19 Supplemental - National Bioterrorism Hospital Preparedness Program		790,911	93.889	Award date: 3/29/2020; project period: 7/1/2019 - 6/30/2024
Department of Health	COVID-19 Ryan White Part A		966,494	93.914	Award date: 4/11/2020; project period: 4/1/2020 - 3/21/2021

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Agency	Grant Name	Federal Assistance Amount	Grant Award Amount	CFDA #	Comments
Department of Health	COVID-19 Ryan White Part B		256,535	93.917	Award date: 5/19/2020; project period: 4/1/2020 - 3/3/2021
Department of Health	Housing Opportunities for Persons w/ AIDS		1,611,314	14.241	Award date: 4/2/2020
Department of Health	Epidemiology & Laboratory Capacity for Infectious Diseases (ELC)		91,073,627	93.323	Award date: 6/21/2020; project period: 8/1/2019 - 7/31/2024
Department of Behavioral Health	Promoting Resiliency and Recovery: An Emergency Grant to Address Mental Health and Substance Use Disorders During COVID-19		2,800,000	93.665	Award date: 6/29/2020; project period: 4/20/2020 - 8/19/2021
Department of Health Care Finance	Medicaid		Entitlement	93.778	MHRS: The federal government increased the regular provider-payment federal medical assistance percentage (FMAP) by 6.2% in response to the COVID pandemic, which has resulted in additional federal Medicaid funding. 4/20/21 - 8/19/2021: (\$2,000,000) FY 2020: \$800,000 allocated.
Child and Family Services Agency	Child Welfare Services State Grants		48,985	93.465	Award date: 4/23/2020; project period: 3/27/2020 - 9/30/2021
Human Support Services Cluster - Grant Awards Sub-Total			147,650,799		
Education Cluster (as of 7/28/2020):					
University of the District of Columbia (UDC)	Education Stabilization Fund		1,804,763	84.425E	Award date: 4/25/2020; project period: 4/24/2020 - 4/23/2021
University of the District of Columbia (UDC)	Education Stabilization Fund		1,804,763	84.425F	Award date: 5/8/2020; project period: 5/7/2020 - 5/6/2021

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Agency	Grant Name	Federal Assistance Amount	Grant Award Amount	CFDA #	Comments
University of the District of Columbia (UDC)	Education Stabilization Fund		7,732,476	84.425J	Award date: 5/13/2020; project date: 5/1/2020 - 4/30/2021
Office of State Superintendent (OSSE)	Governors Emergency Relief Funds (GEERS)		5,807,678	84.425C	Award date: 5/26/2020; project period: 5/26/2020 - 9/30/2021
Office of State Superintendent (OSSE)	Elementary and Secondary School Emergency Relief Fund (ESSER)		42,006,354	84.425D	Award date: 5/7/2020; project period: 5/7/2020 - 9/30/2021
Office of State Superintendent (OSSE)	Child Care and Development Block Grant		6,000,400	93.575	Award date: 4/13/2020; project period: 3/27/2020 - 9/30/2023
Office of State Superintendent (OSSE)	Child Nutrition Block Grant		5,926,852	10.555	Award date: 4/24/2020; project period: 3/27/2020 - 9/30/2020
Education Cluster - Grant Awards Sub-Total			71,083,286		
<i>Economic Development and Regulation Cluster (as of 8/12/2020):</i>					
Department of Housing and Community Development	Community Development Block Grant Coronavirus (CDBG-CV)		11,528,622	14.218	Initial award date: 5/18/2020; Final award date: 7/20/2020; period of performance: 6 years.
Commission on Arts and Humanities	NEA Promotion of the Arts - Partnership Agreements		421,300	42.025	Award date: 6/10/2019, Action date: 4/14/2020; Award period; 10/1/2019 - 9/30/2022
EDRC Grant Awards - Sub-Total			11,949,922		
<i>Government Services Cluster (as of 7/16/2020):</i>					
District Department of the Environment & Energy	LIHEAP CARES Act Supplemental Funding		2,776,428	93.568	Project period: 3/27/2020 - 9/30/2021
GSC Grant Award - Sub-Total			2,776,428		

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Agency	Grant Name	Federal Assistance Amount	Grant Award Amount	CFDA #	Comments
<i>Government Operations Cluster (as of 8/5/2020):</i>					
Department of Aging and Community Living	(HDC2) Families First Coronavirus Response Act, Older Americans Act Title III - Home-Delivered Meals		800,000	93.045	There is 25% match. The grant funds must be expended by 12/30/21. Award date: 3/20/2020; project period: 3/20/2020 - 9/30/2021
Department of Aging and Community Living	(CMC2) Families First Coronavirus Response Act, Older Americans Title III - Congregate Meals		400,000	93.045	There is 25% match. The grant funds must be expended by 12/30/21. Award date: 3/20/2020; project period: 3/20/2020 - 9/30/2021
Department of Aging and Community Living	(HDC3) CARES Act for Nutrition Services under Title III - C of the Older Americans Act		2,400,000	93.045	There is 25% match. The grant funds must be expended by 12/30/21. Award date: 4/20/2020; project period: 4/1/2020 - 9/30/2021
Board of Elections	Coronavirus Aid, Relief, and Economic Security ACT		3,000,000	90.404	There is a 20% match. The grant funds must be expended 12/31/20. Award date: 4/6/2020; project period: 3/28/2020 - 3/27/2020
Department of Employment Services	Federal Pandemic Unemployment Compensation (FPUC)		131,686	17.225	DC Grant/Phase: EUFPUC/20
Department of Employment Services	Pandemic Emergency Unemployment Compensation (PEUC)		891,300	17.225	DC Grant/Phase: EUPEUC/20
Department of Employment Services	Pandemic Unemployment Assistance Program (PUAP)		1,073,435	17.225	DC Grant/Phase: EUPUAP/20
Department of Employment Services	Temporary Full Federal First Week Funding (TFFFWF)		17,786	17.225	DC Grant/Phase: EUFFFWF/20

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Agency	Grant Name	Federal Assistance Amount	Grant Award Amount	CFDA #	Comments
Department of Employment Services	Emergency Unemployment Insurance Stabilization		4,325,949	17.225	DC Grant/Phase: EUISAA/20
Department of Employment Services	Dislocated Worker Emergency Grant		1,245,969		DC Grant/Phase: WDSCVD/20
Unemployment Compensation Fund	Federal Pandemic Unemployment Compensation		771,000,000	CARES ACT	Fund Detail 8001-Benefit payments from March thru July
Unemployment Compensation Fund	Waived Wait Week Reimbursement		31,368,000	CARES ACT	Fund Detail 8004- Reimbursement of the traditional wait week thru December
Unemployment Compensation Fund	Reimbursement to Reimbursable Employers	806,800		CARES ACT	Fund Detail 8005 Reimbursement of 50% of reimbursable employer benefit payments thru December.
Government Operations Cluster - Grant Awards Sub-Total		806,800	816,654,125		
<i>Public Safety & Justice Cluster (as of 7/31/2020):</i>					
Homeland Security & Emergency Management	Crisis Counselling Immediate Services Program (ISP)		350,507	97.032	Program Closes on July 29, 2020, HSEMA MOU with DBH for #350,507 under the CFDA #97.032 for the period 4/30/2020 - 10/5/2020, to be obligated by 9/28/2020 signed on 7/28/2020. Fund 8231
Homeland Security & Emergency Management	FY 2020 Emergency Grant Management Program COVID-19 Supplemental (EMPG-S)		877,610	97.042	50% Match-up. Fund 8210
Homeland Security & Emergency Management	FEMA Public Assistance		TBD	97.036	Fund 8251

Agency	Grant Name	Federal Assistance Amount	Grant Award Amount	CFDA #	Comments
Homeland Security & Emergency Management	Emergency Preparedness and Security Fund (EPSF) Co - "Emergency Planning and Security Costs in the District of Columbia"	5,000,000		N/A	Remains available until expended.
Office of Victim Services	Coronavirus Emergency Supplemental Funding Program		5,999,524	16.034	Award date: 5/14/2020; project period: 1/20/2020 - 1/31/2022
Public Safety & Justice Cluster - Grant Awards Sub-Total		5,000,000	7,227,641		
District Overall Federal Financial Assistance/Grant Awards (During the Survey Period)		5,806,800	1,057,342,201		

