



## Loudoun County Nonprofit & Faith-Based Cares Act Funding

### Questions and Answers (June 17, 2020)

1. In question 7A and 7B on the combined expansion of services and food application, the instructions say “please provide a monthly breakdown of all expenses for which you are requesting funds, with actual .....”, should the sum of the spending plan items equal the amount of the funding requested OR should the amounts be the full budget projections of costs? As an example, we are NOT requesting the full amount of our projected costs for food or our retroactive costs since we have received other funding as well.
  - a. County staff are expecting the projections for question 7 to equal the funding request.
2. For the uploaded “Monthly Financial Statements” under Question 9, do you want only P&L statements or would you also like Balance Sheets by month? Can the system handle 12 files being uploaded for this section?
  - a. We prefer P&L and Balance sheets if they are available. The Laserfiche system is able to accommodate 12 files. Each file will need to be uploaded individually.
3. Is it acceptable for org’s to upload the 6 months’ of monthly financials as individual months (i.e., 6 uploaded files for that response)?
  - a. Yes. County staff prefer monthly financial statements, but recognize that not all organizations may be set up to do that so we are also accepting quarterly statements.
4. Is the intent to include payroll taxes, benefits and all related costs in the salary numbers?
  - a. Yes, you can include payroll taxes, benefits, and related costs in the salary numbers.
5. What should be included in Operating?
  - a. We are considering operating costs to be fixed costs and variable costs to keep the organization afloat. For example, rent, any increases in internet connectivity needed for COVID-19, additional services for cleaning, vehicle lease payments, etc. We haven’t considered depreciation.
6. We have some employees on payroll that receive W-2's and contractors who receive 1099's. Who do we include in Question 9?
7. We are looking for the number of employees who are providing services to Loudoun County residents. Please include only the staff that receive W2s. If you have contractors who are supporting COVID-19 activities for which you are applying for funding, please include those counts and a rationale in the “optional” area on the same page.
8. Our organization applied for the Food Assistance Grant, however, we were not awarded any funds. Would we still include that we have applied for the fund? Or does it only apply for those that applied and were awarded funds?
  - a. You need only include the programs for which you were awarded funds.

9. If staff was redirected to other activities because of Covid, can the payroll expense be submitted as an eligible expense in this grant?
  - a. If staff were reassigned to COVID-related activities, the payroll expense would be eligible for CARES Act funding.
10. Q6 - We received an SBA EIDL award of 3K. Which category does that go in?
  - a. Please include the SBA EIDL award in the "other" category and provide a brief explanation in the comment box.
11. Q9 - We have no full time or part time staff but we do pay 3 consultants. How do I properly represent that?
  - a. If your consultants are not on your regular payroll, please include the count of consultants and any explanation of why you are including them in the "optional" section on the same page as the employee counts.
12. One event has become a major source of revenue for many local non-profit organizations, so our recent decision to cancel the event for 2020 will deal a significant financial blow to these groups, which provide valuable services to our community throughout the year. I would appreciate any additional guidance you could provide regarding whether the interruption in services that will be caused by the cancelation of Lovettsville's events can qualify for CARES Act funding.
  - a. The U.S. Treasury guidance does not count lost revenue as an eligible expense for CARES Act funding. However, there may be other eligible expenses nonprofits can claim as a result of the Oktoberfest closure. For instance, if a nonprofit has interrupted services as a result of the closure where staff are furloughed as a result of interruptions, unemployment insurance may be an eligible expense. Other examples of eligible expenses due to service interruption are below.
    - i. A provider has had to suspend their normal in-person employment referral services but continued to employ a partial workforce to answer the phones and refer current clients for COVID-related services elsewhere. Unemployment insurance (if not reimbursed by other federal COVID programs) for the furloughed workers and salaries for the reassigned workers would be considered eligible. Payroll or benefit expenses are only eligible if services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. These are related to unbudgeted expenses.
    - ii. A provider has had to transition to telework for all therapy staff, which decreases the number of clients they can see in a day. The expenses for transitioning to telework (new phones, home monitors, laptops for employees) would be considered eligible. If therapists are now working overtime to accommodate the same number or less patients due to COVID-related issues; the overtime may be eligible as well.
    - iii. If an organization has suspended its services for a number of weeks due to COVID-19 and had to hire a cleaning crew to sanitize the location before opening back up for services, the cost of sanitation crew would be an eligible expense.
13. We just want to make sure we fully understand the required request information for the funding request (Q7) so that we submit the information the reviewers will require. For example, if we are asking for \$20 out of our organization's projected \$50 in incremental COVID expenses, all that we should put in the Spending Plan is the breakdown of the \$20 we are requesting? Again,

we just want to make sure we supply what is needed/expected so that our application is complete. If the reviewers are expecting to see the breakdown of the full \$50 in expected incremental expenses, we can provide that—we just need final clarification.

- a. County staff recognize community organizations have a number of different funding requests and awards right now. We are looking for a breakdown of the requested amount; in your example, the \$20. We only need the spending plan for the amount you are requesting.
14. My question is about the Service Interruption Funding because we also work with a handful of other non-profits who have been severely impacted by COVID-19. They had to stop many services as a result. The expenses related to those services has really not decreased much, but the income to support those has disappeared. So financially they have really been impacted. Can they apply for this fund to cover those operational costs that were already in their budget?
- a. Unfortunately, the organizations cannot request operational funds that were already budgeted, however, if they have reassigned staff to work on COVID-19 related activities, modified their services to tele-services or had to furlough workers, they can apply funding related to those expenses; such as payroll, unemployment insurance or telework equipment.

### **Questions and Answers (June 14 – 16, 2020)**

1. Is there a maximum cap on the amount of funds that can be awarded to one organization under this grant request?
  - a. There is not a maximum on the amount of funding you can request, however the county will try to distribute funds according to need, so some organizations may not get their full request.
2. My project is not an existing nonprofit – I started it at the onset of the pandemic through the restaurant I work for. Would a brand new nonprofit be eligible to apply for the Food Assistance Program funding? Could I potentially establish the nonprofit and apply by June 19?
  - a. Unfortunately, it would be very difficult to establish a nonprofit and establish good standing with the Virginia SCC before June 19. If you are able to do so, you can apply for funding. You would need to adhere to all the other application components as well, such as financial statements for the time the nonprofit has been in existence, projections for doo services beyond June, and a spending plan. I suggest reviewing the applications online and seeing whether you and your team have the capacity to complete it by June 19.
3. As I prepare documents and estimates to apply for the funding, I'd like to know how best to anticipate costs given the uncertainty of resuming in-person operations fully. I can project specific costs that will continue through December. However, if in-person instruction resumes in the next 2-3 months then we will not need to mail these packages. Estimating costs through December given the uncertainty is difficult.
  - a. Regarding unbudgeted expenses and the uncertainty with when activities will resume is to estimate the costs based on what we know now. We can adjust your spending at mid-cycle as we learn more about the county's reopening plan, as well as other organizations' plans on which your decisions will be contingent. If we need to rethink expenses at mid-cycle we can do so.

4. Our programs in Leesburg lost program revenue due to field trips from local schools being cancelled because of COVID-19. Is this something that might qualify for CARES Act funding?
  - a. Unfortunately, CARES Act funding guidance from the U.S. Treasury deems lost revenue is an ineligible expense. If you have other unbudgeted expenses, you may choose to apply for relief using those.
5. My nonprofit is currently based out of Arlington, VA but a majority of our work is done across Loudoun County. Would that make us ineligible to apply for this opportunity?
  - a. Organization must use the CARES Act funding for programs that are supporting Loudoun County residents. We do not require that the organization be headquartered in Loudoun County. We do require that your organization be able to provide unduplicated counts of the Loudoun County residents whom you serve. If your organization is able to directly link COVID-19-related expenses specifically to Loudoun County residents, you would be eligible to apply for funding.
6. We are a regional agency, should we only include awarded/pending COVID-19 related funding received for our Loudoun County programs and services? In other words, if we received a PPP loan, should we only include the amount dedicated to cover employee costs for Loudoun programs and services?
  - a. Yes. If you can calculate the proportion of funding that was dedicated to Loudoun County services and programs, you can list that amount as funding received. We are only allowing funds to spent for Loudoun County services, so it is reasonable that the awards you report are only for those services as well
7. Should we only include full-time and part-time employees who provide services for Loudoun County residents?
  - a. If you are able to identify the employees who provide services to Loudoun County residents, include them in the employee count for CARES Act funds. If your organization has other employees working outside of the county, they do not need to be included in the employee count for Loudoun funding.
8. Regarding the spending plan, Question 7, if your program makes use of leased vehicles that are a component of delivering services and services were interrupted, can we include monthly lease and vehicle maintenance expenses if they remain payable while services are interrupted?
  - a. The lease payments would be an eligible expense. Maintenance payments would not be eligible.
9. Would you please describe more than one example that would qualify under the definition of "Service Interruption"?
  - a. A provider has had to suspend their normal in-person dog therapy services but continued to employ a partial workforce to answer the phones and refer current clients for COVID-related services elsewhere. Unemployment insurance (if not reimbursed by other federal COVID programs) for the furloughed workers and salaries for the reassigned workers would be considered eligible. Payroll or benefit expenses are only eligible if services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. These are related to unbudgeted expenses.
  - b. A provider has had to transition to telework for all therapy staff, which decreases the number of clients they can see in a day. The expenses for transitioning to telework (new phones, home monitors, laptops for employees) would be considered eligible. If therapists are now working overtime to accommodate the same number or less patients due to COVID-related issues; the overtime may be eligible as well.

- c. If an organization has suspended its services for a number of weeks due to COVID-19 and had to hire a cleaning crew to sanitize the location before opening back up for services, the cost of sanitation crew would be an eligible expense.
- 10. Will all questions and answers be posted, for all applicants to see?
  - a. Yes. All questions will be posted on the Grants Opportunities webpage: <https://www.loudoun.gov/GrantOpportunities>
- 11. Since the IRS extended the tax filing deadlines for 2019 filings, due to COVID-19, is it acceptable for us to submit our 2016, 2017 and 2018 form 990s? Our accountant has not yet finished preparing our 2019 filing.
  - a. We are allowing 2016, 2017, 2018 990s due to the extended tax filing deadline. We prefer 2019 990s, but understand that is not always possible.
- 12. Will we need to get something from our board leadership in order to submit the “service interruption” application?
  - a. The application requires a letter from your Board Chair that attests to the service interruption. This should be uploaded with the application.
- 13. You are requiring 6 months of past financial statements. Are you looking for December through May or a different six month time period? P&L and Balance Sheets or just P&L?
  - a. To process the application accurately, we recommend your organization include P&L and Balance Sheets. If you are unable to supply balance sheets, we will accept P&L but may not be able to get an accurate picture of the expenses and services, which may impact the amount of the award. The last six months are defined as December through May. If your organization can provide June estimates, that is recommended but not required.

## Questions and Answers (June 12, 2020)

- 1. What are the grant dollar amounts available?
  - a. Grant amounts will be determined by Loudoun County staff and administration. Currently, \$2 million is allocated for nonprofit funding support and approximately \$450,000 is allocated for food assistance.
- 2. Do you have to apply to one of the three programs or can it be a combination of expansion and interruption?
  - a. Organizations must choose between expansion or interruption applications. If an organization chooses expansion and is also providing food assistance, they may apply for expansion and food assistance in a joint application.
- 3. For interrupted services, what types of expenses are eligible for funding?
  - a. Loudoun staff will reference eligible expenditures listed in the CARES Act funding guidance issued by the U.S. Treasury Department. You can find links to the guidance at [loudoun.gov/GrantOpportunities](https://www.loudoun.gov/GrantOpportunities).
- 4. If you are applying for Service Interruption, what criteria will be reviewed? (Operations, utilities, etc.?)
  - a. If an organization applies for Service Interruption, they will need to provide the following documentation; six months of financial statements that demonstrate the interruption, a written attestation of the interruption from the organization’s leadership, and a detailed spending plan that proposes eligible spending.
- 5. I assume that revenue loss through service interruption cannot be funded?
  - a. That is correct. CARES Act funding cannot be used for revenue loss.

6. Does being a new nonprofit and not having three years history, are we then precluded from funding?
  - a. New nonprofits are not disqualified from applying. County staff may work with new nonprofits to identify alternative forms of financial documentation that support the identified need and application.
7. We are currently shut down so we don't have additional expenses but we need PPE and cleaning when we reopen. Can these expenses be requested from CARES Funds?
  - a. Yes. Additional, non-budgeted, expenses directly related to the COVID-19 pandemic are eligible.
8. Are increased publicity expenses to promote programs eligible for funding?
  - a. CARES Act will not fund marketing or promotion campaigns for organizations.
9. For the Food Assistance program, is this reimbursable funds for purchases already made or projected service funding needs?
  - a. CARES Act funds may be used to either reimburse costs already incurred by an organization or pay for projected costs based on an organization's predicted need. The date range for eligible expenses is March 1, 2020, through December 30, 2020.
10. Can you provide a link to the US Treasury guidance?
  - a. The U.S. Treasury guidance can be found at [loudoun.gov/GrantOpportunities](https://www.loudoun.gov/GrantOpportunities).
11. Please define "revenue" for this grant's purpose.
  - a. Revenue is defined as any funds generated through the organization's operations. Revenue includes donations, service fees, contributions, fundraising, investment returns or other sources of income that are part of the organization's budget.
12. For the COVID-related funding received, is that for the entire agency or specific to the request we are making for this funding?
  - a. There are many sources of CARES Act funding available through federal, state, county and some town funding. If your organization offers a wide range of services (e.g., therapy, help line, food assistance), you can request funds based on specific services that have either expanded or been interrupted. Conversely, your organization is dedicated to one service (i.e., housing assistance) you can request funds for the entire organization.
13. If you received Paycheck Protection Program (PPP) funds, but some of those funds are going towards payroll and utilities that are not part of the program that has been expanded. Do we only put that portion related to the program that is expanded or the total received through PPP?
  - a. Please include the total PPP award and provide a brief statement of which services the PPP will be used for.
14. It is really difficult to project how many clients will need hotels by month. Will we have to stay within the monthly requested funding, if awarded?
  - a. Funding will be distributed in two installments; one at time of award, and the other at mid-cycle. If adjustments need to be made monthly, organizations are responsible for documenting these adjustments and accounting for them in the mid-cycle report.
15. Are increased expenses in background checks to certify increased numbers of volunteers allowed?
  - a. If this expense is directly related to COVID-19 response and was not budgeted; it is eligible.
16. What is the difference between supplies and equipment?
  - a. Supplies are short-term use items such as software subscription, office items such as pens, printer paper or other expendable items. Typically supplies are used within one

year. Equipment is a long-term (often multi-year) item such as computer, printer, monitors, etc.

17. We don't have our Form 990 for 2019 finished yet. May we submit 990s for 2016-2018?
  - a. Because the federal tax deadlines were adjusted due to the pandemic, the county will accept 990s from 2016-2018. If your organization has its 2019 990 completed, please submit 2017-2019.
18. Given that some of us have received PPP funding and the criteria for forgiveness of the loan has recently changed, how does that impact the amount of funds that can be requested, particularly in the areas of payroll, etc.?
  - a. Please submit the full amount of the PPP that was awarded. The totals are used to support formulas that will determine the difference between what your organization has received and what is still needed.
19. If we provide PPE for our patrons, is that expense eligible for reimbursement?
  - a. PPE is an eligible expense if it is not something that was budgeted and is in response to the pandemic.
20. We are a regional agency - should we provide COVID related funding and a spending plan specific to Loudoun services or funding/spending across the agency?
  - a. These funds are specific to supports for organizations who are providing services to Loudoun County residents. You will need to identify the funding related to services provided for Loudoun County residents and services.
21. We have tenets in our building to offset costs. They have been there for multiple years but are unable to pay rent at this time. Would lost rent from tenants be considered revenue or be allowable?
  - a. Lost rent that is collected from tenants is considered lost revenue and not an eligible expense.
22. If you received a PPP loan but not yet received loan forgiveness do you state the \$ in pending or awarded?
  - a. If you were awarded any PPP funding, please list it in the awarded column on the application.
23. What will take place if all the funding available is not awarded?
  - a. It is expected that all funding will be distributed through this process.
24. Will you provide a template for reporting documentation?
  - a. Yes. The county will provide a reporting template for all organizations in preparation for the mid-cycle reporting window.
25. Should we list all the funding we have received/is pending and will we have the opportunity to describe how this funding does not cover the costs we are requesting?
  - a. Yes, you will need to list all federal relief funds received or pending. This will help the county ensure we are not supplanting funds while still supporting your organization's needs.
26. Does that attestation for interruption need to be filed with the application, or just the reporting?
  - a. The attestation needs to be uploaded with the grant application materials.
27. Do the reporting requirements include outcomes such as the number of individuals served?
  - a. The county will be requesting reporting based on your spending plan, and will not be asking for specific outcomes as a result of funding, but rather how the funds were used.
28. Do donations count as funding?
  - a. Donations count as revenue and are not an eligible request for CARES Act funding.

29. If staff have been redeployed in response to COVID may we request funds to support their efforts? Their salaries were included in the original budget but for their traditional role, not their response to COVID.
  - a. Yes. Staff deployment and COVID-related response are eligible expenses.
30. Is there someone we can ask specific questions for our organization following this call?
  - a. Staff will be available Monday through Friday to answer your questions. Please email [nonprofits@loudoun.gov](mailto:nonprofits@loudoun.gov) and someone will reach out to you ASAP.
31. When will the first funds be distributed?
  - a. The county would like to distribute funds as soon as possible. Once all applications have been reviewed, staff will notify the organizations and distribute funds in the first 10 business days of July.
32. This is only a week long application process, though. Correct?
  - a. The application opens June 15 and closes June 19, 2020, at 5:00 p.m. This short time frame is necessary in order to distribute as many funds as possible as soon as possible.
33. If I have received other funding from the county, am I eligible to apply for these funds?
  - a. Yes. If your organization has received funding from the county for COVID-19 related (i.e., CDBG, food assistance, business interruption fund, towns, etc), you are accountable to the granting department for reporting expenses and need to follow outlined procedures for reporting.
34. What is the timeline for the CARES Act funding? Can I request reimburse for expenses starting in March?
  - a. Expenses can be requested from March 1, 2020, through December 30, 2020.
35. Can this be used for one-time expenses such as software purchases? The software is now how we deliver services due to COVID-19.
  - a. CARES Act funding allows for expenses directly related to the COVID-19 pandemic. If you can demonstrate that the expense was because of COVID-19, and provide documentation to that effect, you may request funds.
36. What if our organization had to reallocate funds from one program to another in order to ramp up services for COVID? Can we apply for funds that will make the organization whole again?
  - a. It is up to the organization to determine the cost for expansion of services. You will need to consider your total expenses that were required to expand your services, regardless of the program it came from.
37. Can we request funds from interruption and expansion?
  - a. No. Organizations must choose either expansion or interruption.
38. We know we will need funding past December 30, 2020. What do we do for that?
  - a. The CARES Act funding must be expended by December 30, 2020. The county is required to give all money that wasn't spent back to the state prior to this date per the agreement we signed. This requirement extends to organizations whom were granted funds. If your organization is awarded funding and cannot spend all the funds prior to December 30, you need to notify county staff no later than December 1, 2020. County staff will keep organizations informed if other funds become available or there are changes to federal guidance regarding CARES Act funding.

*Updated June 18, 2020*