|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  | | --- | --- | | |  | | --- | | OAS | | | |  | | --- | |  | | | |  | | --- | |  | | | |  | | --- | | Dear Executive Directors,  On March 27, 2020, the President signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act [(P.L.116-136)](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDAsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMDA1MTMuMjE0NzMyNjEiLCJ1cmwiOiJodHRwczovL3d3dy5jb25ncmVzcy5nb3YvMTE2L2JpbGxzL2hyNzQ4L0JJTExTLTExNmhyNzQ4ZW5yLnBkZj91dG1fbWVkaXVtPWVtYWlsJnV0bV9zb3VyY2U9Z292ZGVsaXZlcnkifQ.UbXqvw9Qojf9p2EEosT4RirwTZbAi_qqr6XRHmpsIH8/br/78585311012-l). Earlier this month, PIH awarded funding provided through the CARES Act. Specifically, PIH awarded $685 million of Supplemental Operating Funds and $380 million of Supplemental Housing Choice Voucher (HCV) Administrative Fees to support PHAs in preparing for, preventing, and responding to COVID-19. Further, on April 28, PIH published Notices [2020-07](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDEsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMDA1MTMuMjE0NzMyNjEiLCJ1cmwiOiJodHRwczovL3d3dy5odWQuZ292L3NpdGVzL2RmaWxlcy9QSUgvZG9jdW1lbnRzL1BJSDIwMjAtMDcucGRmP3V0bV9tZWRpdW09ZW1haWwmdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSJ9._VnQPeuJRn5AOJr3pu5K2RW8yrvfpwcQr8-5Jn6kiOQ/br/78585311012-l) and [2020-08](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDIsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMDA1MTMuMjE0NzMyNjEiLCJ1cmwiOiJodHRwczovL3d3dy5odWQuZ292L3NpdGVzL2RmaWxlcy9QSUgvZG9jdW1lbnRzL1BJSDIwMjAtMDgucGRmP3V0bV9tZWRpdW09ZW1haWwmdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSJ9.CyeglBQtsYTtVm85MgvLokgEAK2UUPplaaJ95gObTUQ/br/78585311012-l) detailing administrative requirements, eligible uses, and other information related to this funding.  Since the publication of these notices, PIH has received many questions from PHAs on a number of topics, including additional eligible uses not included in the notices, timeframes for expenditure of funding, reporting on the use of funding as required by the CARES Act, and eligibility to pay for expenses incurred prior to PIH’s award of funding. Further, as PHAs begin to plan for any necessary changes to track CARES Act funding, PHAs have questioned whether the reporting thresholds included in the CARES Act apply cumulatively for all CARES Act grants received by a PHA, or whether the thresholds apply on a grant by grant basis. We continue to work on updated FAQs for many of these questions.  However, we recognize the urgency for additional clarifying guidance on reporting thresholds and whether PHAs may use CARES Act funding to pay for expenses incurred prior to PIH’s award of funding. As such, please find below four FAQs addressing these issues for both public housing and HCV funding awarded to PHAs earlier this month.  We hope you find this guidance helpful. If you have additional questions regarding this guidance, or other general questions regarding the CARES Act, please send an e-mail to [PIH-COVID@hud.gov](mailto:PIH-COVID@hud.gov).  With appreciation,  Signature of Assistant Secretary Kurtz  Hunter Kurtz Assistant Secretary  **Q: What is the start date for use of new public housing funds under the CARES Act? Is it the date of the implementation notice (April 28, 2020), the date they were awarded (May 1, 2020), or the date the CARES Act was passed (March 27, 2020)?**  A: 2020 Public housing funds were disbursed for public housing starting May 1, 2020. These funds can cover expenses, including expanded COVID-19 related expenses included in Notice PIH 2020-07, that were *incurred starting March 27, 2020*. CARES Act obligations should not relate back to a period any earlier than March 27, 2020.  **Q: What is the start date for the use of new HCV Program Administrative Fees awarded under the CARES Act?**  A: 2020 HCV Program Administrative Fee funds were disbursed starting May 7, 2020. HCV Administrative Fees can cover expenses, including expanded COVID-19 related expenses included in Notice PIH 2020-08, that were *incurred starting March 27, 2020*. CARES Act obligations should not relate back to a period any earlier than March 27, 2020.  **Q: My PHA incurred a number of expenses related to COVID-19 prior to the arrival of the CARES Act funds, as our local outbreak started in February. Can these funds cover those expenses? What if we used other funds to cover these expenses– can those accounts be reimbursed?**  A**:** For the public housing program, expenses incurred beginning on March 27, 2020 can be paid for with CARES Act supplemental operating funds, public housing operating funds or public housing capital funds. For the housing choice voucher program, expenses incurred beginning on March 27, 2020 can be paid for with CARES Act funding or FY 2020 administrative fees. If the PHA used other accounts to pay expenses incurred on March 27th or later, they can be reimbursed by the CARES Act funding.  **Q: Can you clarify the CARES Act reporting requirements?**  A: As described in PIH Notice 2020-07 and PIH Notice 2020-08, the CARES Act requires that recipients of $150,000 or more of CARES Act funding submit certain information regarding the use of CARES Act funds.  This reporting is required for “covered recipients,” defined as any entity that receives covered funds that amount to more than $150,000.  PHAs that receive CARES Act funds that amount to more than $150,000 will be subject to this additional reporting requirement based on the total amounts awarded, not each individual grant award.  As outlined in the Office of Management and Budget (OMB) memorandum, M-20-21, existing reporting requirements are anticipated to meet the requirements of Section 15011, but the content and format for this reporting is still under development and will need to be reviewed against current program practices.  The Department will work in coordination with OMB to ensure that this requirement can be fulfilled by recipients of CARES Act funding in a manner that utilizes to the greatest extent possible existing reporting streams, providing the necessary transparency and accountability with minimal additional burden.  If additional reporting is necessary, further guidance will be released by the Department in the near future. | | | |  |  |  |  | | --- | --- | --- | --- | | |  | | --- | |  | | |  | | --- | |  | | | |