



# THE COMMONWEALTH OF MASSACHUSETTS

## *CvRF Risk Management and Compliance Discussion*

**December 2020**

# FEDERAL GUIDELINES

The CARES Act provides specific requirements for fund usage and reporting. Where not specified, federal funds are subject to the requirements of 2 C.F.R. Part 200 Uniform Administrative Requirements, Cost principles and Audit Requirements for Federal Awards (“Uniform Guidance”)

# LEGAL FRAMEWORK: MA GENERAL LAW



- Chapter 29, Section 6B of Massachusetts General Laws lays out the governance framework for federal grant funds in Massachusetts, which includes, but is not limited to the following:
  - Section 6B. (a) The comptroller, in consultation with the secretary of administration and finance, shall **promulgate regulations** which shall not be subject to chapter 30A to **govern notice requirements for applications for federal grants by a state agency and the receipt and expenditure of federal funds.**
  - (b) Upon official notification to a state agency from a federal department or agency of approval of a state plan or application for federal funds, the state agency shall **notify the secretary of administration and finance and the comptroller promptly of the amount, duration, payment schedule and other attendant financial terms and conditions. Such notification shall be for the purposes of appropriate recording.**

# LEGAL FRAMEWORK: FEDERAL LAW

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- Section 15011 of the CARES Act establishes a **quarterly reporting** requirement for “covered recipients,” which applies to recipients receiving more than \$150,000 or more.
- Non-federal entities receiving federal grants should also be mindful of 2 C.F.R. Part 200, or “Uniform Guidance,” which outlines a set of specific requirements, including **internal controls, cost principles, performance and financial monitoring and reporting; and procurement standards.**
  - CvRF is financial assistance **subject to the Single Audit Act** and the related provisions of the Uniform Guidance, section 2 C.F.R. 200.303 regarding **internal controls**; sections 200.330 through 200.332 regarding **sub-recipient monitoring and management**, and Subpart F regarding **audit requirements**
- Section 601 of the Social Security Act, as added by section 5001 of the CARES Act, establishes the CvRF and Section 601(d) sets forth criteria for use of CvRF funds. Subsequent guidance from U.S. Treasury has clarified eligible uses of CvRF, and clarifies that CvRF funding is subject to parts, but not all, of the requirements contained in Uniform Guidance.
- **ANF will be coordinating Commonwealth reporting for CvRF.**

# RECORD RETENTION



- COVID-19 pandemic records and records related to CvRF funding **should be retained for a minimum period of 5 years. In certain cases, state records retention requires a longer period of at least 6 years.**
- In all cases, COVID-19 related spending records should be retained in accordance with US Treasury guidance, applicable state regulations, and your department's record retention policies.
- With respect to telework, departments have a responsibility to ensure that files are retained appropriately in departmental storage systems, not personal databases, and are indexed to be easily accessible.

**Records may include but are not limited to:**

