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## May 5, 2020

- I. U.S. Treasury Guidance Allows CARES Act Funding Flexibility
- II. NLC “Cites are Essential” Campaign Demands Direct Municipal Aid
- III. Where Can I Find COVID-19 Related Resources from the League?

**Municipal Clerks:** Please forward to your Mayor, Governing Body and Department Heads.

To assist in providing guidance and information we have created a [COVID-19 resource page](#). We will continue to update the page as we get pertinent information and include announcements in our Daily Updates.

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## I. U.S. Treasury Guidance Allows CARES Act Funding Flexibility

Yesterday, the U.S. Treasury updated its '[Frequently Asked Questions](#)' CARES Act guidance. This revision will provide CARES Act recipient States (including New Jersey), and recipient units of local government (including New Jersey’s nine most populous counties) with greater flexibility in the use of those funds.

In addition to giving State government greater flexibility for its own purposes, all New Jersey municipalities should be aware of this advice regarding fund usage.

### ***“May a State receiving a payment transfer funds to a local government?”***

“Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security

Act.”

Municipalities in the counties of Bergen, Middlesex, Essex, Hudson, Monmouth, Ocean, Union, Camden, and Passaic, should consider this.

***“May a unit of local government receiving a Fund payment transfer funds to another unit of government?”***

“Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.”

The same restrictions that apply to original recipients would apply to secondary recipients.

**Contact:** Jon Moran, Senior Legislative Analyst, [jmoran@njlm.org](mailto:jmoran@njlm.org), 609-695-3481 x121.

## **II. NLC “Cities are Essential” Campaign Demands Direct Municipal Aid**

Today, the National League of Cities, our federal level partner and the voice of the over 19,000 cities, towns and villages in the United States, launched a campaign to secure economic relief for all communities on the frontline of America’s response to the novel coronavirus (COVID-19). The [Cities Are Essential](#) campaign calls for **\$500 billion in direct federal aid and economic relief from the COVID-19 pandemic over the next two years** to support all communities who support America’s people.

NLC is coordinating this effort in concert with the National Association of Counties and the US Conference of Mayors.

The campaign is mobilizing the best of NLC’s research and data, legislative strategy, marketing and communications, and coalition building efforts to achieve one clear goal: Direct federal support of cities, towns and villages, regardless of size.

## **III. Where Can I Find COVID-19 Related Resources from the League?**

The League has created a [COVID-19 webpage](#), which was created as a central source for all resources we are posting. The League is also posting updates of news and new legislation and guidance daily on the [Emergency Management & Public Health News Flash](#). You may sign up to receive email alerts when new items are posted, or visit the League’s COVID-19 resource page to view news flash items. Many of these items are also being posted on the League’s [Facebook](#), [Twitter](#) and [LinkedIn](#) accounts.

There have also been several posts published on the League's [Town Crier blog](#) that gives detailed explanations and analysis of the legislation surrounding COVID-19.

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