

May 24, 2021



Jacob Leibenluft
Chief Recovery Officer
Main Treasury, Room 3330
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Re: Investment Coronavirus State and Local Fiscal Recovery Fund Proceeds

On behalf of the thousands of state and local governments our groups collectively represent, we express our gratitude for the expedient and ongoing deployment of Coronavirus State and Local Recovery Fund Proceeds (CSLFRF) proceeds. Our state and local governments are eager to use these funds to continue their pivotal roles in combatting the COVID-19 pandemic and supporting the national economy. After receipt of proceeds and before their expenditure, however, funds must be invested and managed in compliance with state and local policies that vary throughout the nation. While we appreciate the thoroughness of guidance offered thus far, we now urgently request additional clarifying guidance on the eligible investment policies of such funds.

Per U.S. Treasury guidance, recipients were permitted to invest Coronavirus Relief Fund (CRF) proceeds in an interest-bearing account provided that, if the amounts were separately invested, earned interest would be subjected to the limitations of 601(d) of the Social Security Act. Recipients were likewise permitted to commingle proceeds in accordance with their state and local investment policies and treat the earned interest as unrestricted funds.¹ Recipients of CSLFRF proceeds would greatly benefit from similar guidance that is no more restrictive than that provided under the CRF.

Please feel free to reach out to any of us should you have any questions.

Sincerely,

Brian Egan, brian@statetreasurers.org
Emily Swenson Brock, Government Finance Officers Association, ebrock@gfoa.org
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¹ Question B.3. Frequently Asked Questions. Coronavirus Relief Fund program guidance. Web access: https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf

