American Rescue Plan Act :

Overview and How to get the most out of ARPA for your community

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GOFERR Webinars, Guidance & Support

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GOFERR Sponsored Webinars & Guidance

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6/28/21
- **GOFERR NEU Webinar:** Hosted by Guidehouse. (https://register.gotowebinar.com/recording/225127620521120015)

8/24/21
- **County Reporting Webinar**. Hosted by Guidehouse (https://attendee.gotowebinar.com/recording/5077360396348418574)

9/25/21
- **Uniform Guidance Desk Reference** (Document)

TBD
- **NEU Project & Expenditure Report Webinar.** Hosted by Guidehouse pending Treasury Gudance

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How NEUs Ask Questions About LFRF $

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Steps to follow:

- Go to the New Hampshire GOFERR webpage: https://www.goferr.nh.gov/

- Click the '*Contact*' tab found on the top ribbon of the page

- Under '*General Inquiries*', click on '*My Inquiry*'

- Fill out the '*Inquiry Request'* form
  - Select 'City/Town Funding' from the 'I am reaching out about' dropdown menu
  - Identify yourself as an official of a city/town in your question

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Agenda

For a detailed overview of Eligible Uses and Additional Requirements , please reference this Webinar.

1. **Welcome and Overview of Webinar**
(Jeanne Herrick, GOFERR)

2. **New Hampshire Municipal Association (NHMA) Assistance**
(Margaret Byrnes, NHMA)

3. **Local Fiscal Recovery Fund (LFRF) Basics**
(Hillary Thompson, Guidehouse Team)

4. **LFRF Eligible Uses**
(Hillary Thompson, Guidehouse Team)

5. **LFRF Additional Requirements**
(Hillary Thompson, Guidehouse Team)

6. **FAQ Review and Q&A**

Local Fiscal Recovery Fund

Key Information and Processes

Wednesday, June 16, 2021

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INTRODUCTION TO ARPA

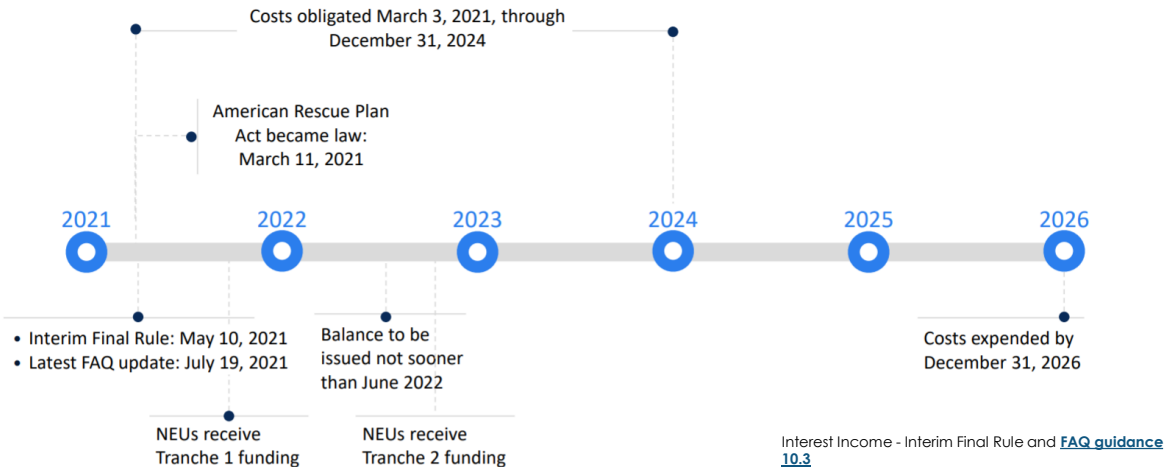**New Hampshire received a total of $112 million in Local Fiscal Recovery Funds.**

Glossary of Terms:

▶ Types of local government under the Act:
- Metros: Metropolitan communities (i.e., entitlement cities under CDBG): Manchester, Nashua, Portsmouth, Rochester & Dover
- NEUs—Non-entitlement units of local government: All other cities and towns in NH

▶ ARPA: The American Rescue Plan Act

▶ CSLFRF: Coronavirus State and Local Fiscal Recovery Funds (created by ARPA)

▶ LFRF: Local Fiscal Recovery Funds (just the money going to local government from the CSLFRF, sometimes even abbreviated as FRF)

▶ IFR: **Interim Final Rule**: US Treasury's rule on eligible uses of the CSLFRF (must read for all local governments)

▶ **GOFERR**: The Governor's Office for Emergency Relief and Recovery, responsible for administering the money to NEUs (created by Governor Sununu in 2020)

▶ **Guidehouse**: The entity contracted by GOFERR to provide resources and support to NEUs.

▶ **2 CFR Part 200**: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly referred to as 'Uniform Guidance,' applies to all new federal funding, (new award, continuation awards, supplements, etc.)

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TIMELINE FOR LOCAL FISCAL RECOVERY FUNDS and PROGRAM DEVELOPMENT

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Costs obligated March 3, 2021, through
December 31, 2024

American Rescue Plan
Act became law:
March 11, 2021

| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |

- Interim Final Rule: May 10, 2021
- Latest FAQ update: July 19, 2021

Balance to be
issued not sooner
than June 2022

Costs expended by
December 31, 2026

NEUs receive
Tranche 1 funding

NEUs receive
Tranche 2 funding

Interest Income - Interim Final Rule and **FAQ guidance 10.3**

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General Statements

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RESTRICTED USES:

- Depositing funds into a pension fund.
- Generally, using funds as non-Federal match for other Federal Programs.
- Generally, recipients may not use funds directly to service debt, satisfy a judgment or settlement, or contribute to a "rainy day" fund.

Covered period: March 3, 2021 - December 31, 2024
- Costs can be incurred by December 31,2024
- Must be expended by December 31,2026
  Unless otherwise noted (e.g. premium pay)

 "Incurred" has the same meaning given to "financial obligation" in 2 CFR § 200.1
Financial Obligation: "An order placed for property and services and entering into contracts, subawards, and similar transactions that require payment".

NEU'S are considered **"Prime Recipients"** and are responsible for managing all aspects federal funds. Including: **Compliance, Monitoring, Reporting and Documentation.**

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Key Discussion Points

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Eligible uses: How can my community leverage ARPA to maximize benefits?

What **recommended steps** should be taken before expending your award?

Implementation and **Compliance**

Reporting

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ELIGIBLE USES FOR CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS

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The Coronavirus State and Local Fiscal Recovery Funds provide eligible state, local governments with a substantial infusion of resources to meet pandemic response needs and rebuild a stronger and more equitable economy as the country recovers. Recipients may use these funds to:

▶ **Support public health expenditures**, by, for example, funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff

▶ **Address negative economic impacts caused by the public health emergency**, including economic harms to workers, households, small businesses, impacted industries, and the public sector

▶ **Replace lost public sector revenue**, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic

▶ **Provide premium pay for essential workers**, offering additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors

▶ **Invest in water, sewer, and broadband infrastructure,** making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet

*Administrative expenses (relative to administering/spending/reporting on use of LFRF money)

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Category		Cumulative expenditures to date ($)
1	**Expenditure Category: Public Health**	
1.1	COVID-19 Vaccination	
1.2	COVID-19 Testing	
1.3	COVID-19 Contact Tracing	
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)	
1.5	Personal Protective Equipment	
1.6	Medical Expenses (including Alternative Care Facilities)	
1.7	Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency	
1.8	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)	
1.9	Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19	
1.10	Mental Health Services	
1.11	Substance Use Services	
1.12	Other Public Health Services	

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Category 1: Support Public Health Expenditures

TREASURY COMPLIANCE AND REPORTING GUIDE

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Category 1: Support Public Health Expenditures

**Most frequently asked questions from smaller NEU's involves uses under
1.7 - Capital Investments or Physical Plant Changes to Public Facilities that respond
to the COVID-19 public health emergency**

While the COVID-19 public health emergency affected many aspects of American life, eligible uses under this category must be in response to the disease itself or the harmful consequences of the economic disruptions resulting from or exacerbated by the COVID-19 public health emergency." Interim Final Rule

Capital investments in public facilities to meet pandemic operational needs. Consider the following examples:
- ❑ Install or upgrade building ventilation/filtration system in a public space.
- ❑ Expand or reconfigure building space to provide social distancing or improved sanitation.
- ❑ Expenditures that allow for the continuity of government and reduce the interruption of government programs or services.

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TREASURY COMPLIANCE AND REPORTING GUIDE

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Category 2 :
Address Negative
Economic Impacts
Caused By the
Public Health
Emergency

2	Expenditure Category: Negative Economic Impacts
2.1	Household Assistance: Food Programs
2.2	Household Assistance: Rent, Mortgage, and Utility Aid
2.3	Household Assistance: Cash Transfers
2.4	Household Assistance: Internet Access Programs
2.5	Household Assistance: Eviction Prevention
2.6	Unemployment Benefits or Cash Assistance to Unemployed Workers
2.7	Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives)
2.8	Contributions to UI Trust Funds*
2.9	Small Business Economic Assistance (General)
2.10	Aid to nonprofit organizations
2.11	Aid to Tourism, Travel, or Hospitality
2.12	Aid to Other Impacted Industries
2.13	Other Economic Support
2.14	Rehiring Public Sector Staff

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Category 2 – Household Assistance: Cash Transfer

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Example- Assistance grants to qualifying local households or residents. Analysis utilizing the Interim Final Rule and **FAQ guidance 2.6**

GOFEER and Guidehouse have developed a **checklist** to assist communities in determining how to administer a Local Cash Assistance Program for Eligible Households.

Key Points:
- Create an Application
- Determine eligibility criteria
- Determine Award Amounts*
- Payment, Tracking and Reporting

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Premium Pay

Category 4: to respond to workers performing essential work during the COVID-19 public health emergency

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4	Expenditure Category: **Premium Pay**
4.1	Public Sector Employees
4.2	Private Sector: Grants to other employers

Examples of critical infrastructure sectors include:

• Healthcare
• Transportation
• Grocery and Food Production
• Education and Childcare
• Sanitation
• Public Health and Safety

Essential workers can be offered premium pay, either directly or through grants to third-party employers with essential workers.

➢ Premium pay is an amount up to $13/hour in addition to wages or renumeration otherwise received by the worker. The aggregate amount or premium pay may not exceed $25,000 per worker.

➢ If premium pay increases a worker's total pay above 150% of the higher value of their average annual wage for all occupations, the local government must provide a public and written justification of how the expenditure responds to workers.

➢ Premium pay may be provided retroactively, dating back to January 27, 2020, the start of the pandemic. Workers who received State GOFEER grants in 2020 would have that portion of pay factored into this payment equation.

Workers eligible for premium pay must have been in-person, thus those engaged in telework performed from a residence are excluded from this category.

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Replace lost public sector revenue - Category 6

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6	Expenditure Category: **Revenue Replacement**
6.1	Provision of Government Services

Treasury Definition

▶General Revenue includes revenue from taxes, current charges, and miscellaneous general revenue.

▶ It excludes refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, agency or private trust transactions, and revenue generated by utilities and insurance trusts.

▶General revenue also includes intergovernmental transfers between state and local governments, but excludes intergovernmental transfers from the Federal government, including Federal transfers made via a state to a locality pursuant to the CRF or the Fiscal Recovery Funds.

Eligible Uses

Government Services includes (not limited to):
• Providing police, fire, or other public safety services • Maintenance of infrastructure
• pay-as-you-go spending for building new infrastructure, including:
  • Roads, bridges
  • Township hall, fire station or other building construction, including new or expansion Parks or outdoor recreation facilities
  • Installation/maintenance of utilities
  • Modernization of cybersecurity, including hardware, software, and protection of critical infrastructure o
  • Election equipment
  • Environmental remediation

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Category 6: Revenue Replacement

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How to Calculate Revenue Loss

1. Compute extent of revenue reduction by **comparing actual revenue to a counterfactual trend** representing what could have been expected to occur in the absence of the pandemic

2. Use most recent pre-pandemic fiscal year as the starting point for **estimates of revenue growth** absent the pandemic

3. Presume any **diminution in actual revenues** relative to the counterfactual pre-pandemic trend is due to the COVID-19 public health emergency

4. For purposes of measuring revenue growth in the counterfactual trend, a growth adjustment of either **4.1% per year or the average annual revenue growth** over the three full fiscal years prior to the COVID-19 public health emergency, whichever is higher may be used

Revenue loss may be calculated as of: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023

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Example – Town with December FYE:

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Revenue Growth Rate: Pre-pandemic revenue growth rate was calculated to be 2.1 percent; Town opts to use the Treasury's greater growth rate amount of 4.1 percent.

Base year - fiscal year ending prior to pandemic: December 31, 2019

Base year annual revenue: $500,000

First Reporting Period: December 31, 2020

Projected revenue for the first reporting period using 4.1 percent growth rate: $500,000 * 1.041 = $520,500

Actual revenue for the first reporting period: $505,000

Extent of lost revenue for first reporting period: $520,500 - $505,000 = $15,500

Use the **GFOA Revenue Loss Calculator** to complete these calculations

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Can funds be used to invest in infrastructure OTHER THAN water, sewer, and broadband projects such as roads and public facilities?

Recipients may use funds for maintenance of infrastructure or pay-go spending for building of new infrastructure as part of the general provision of government services, to the extent of the estimated reduction in revenue due to the public health emergency. A general infrastructure project typically would not be considered a response to the public health emergency and its negative economic impacts unless the project responds to a specific pandemic-related public health need (e.g., investments in facilities for the delivery of vaccines) or a specific negative economic impact of the pandemic (e.g., affordable housing in a Qualified Census Tract).

QUESTION 4.2 IN TREASURY'S FAQ

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What is a Qualified Census Track (QCT)?

Geographic locations with a large proportion of low income residents

ARPA presumes that certain types of services, when provided within Qualified Census Tracks, are eligible uses of ARPA funds:

➢ Affordable housing development to increase the supply of affordable and high-quality living units
➢ Services to address homelessness, such as improving access to stable, affordable housing among unhoused individuals
➢ Housing vouchers, residential counseling, housing navigation assistance
➢ Enhanced learning services, including pre-kindergarten
➢ High quality childcare

Access NH Qualified Census Track Information Here

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? Can we use the funds for the purchase of sanitation equipment (garbage trucks) and/or public safety equipment (police and fire vehicles)? 21

Sanitation equipment is an eligible use. Under Section A, "Expenses related to COVID-19 vaccination programs and sites, including staffing, acquisition of equipment or supplies, facilities costs, and information technology or other administrative expenses," (IFR p. 36)

Public safety equipment is an eligible use. Under Section C, government services include the provision of police, fire, and other public safety services. (IFR p. 16).

See p. 16 and 36 of the **Interim Final Rule**

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☑ **Invest in water, sewer, and broadband infrastructure** 22

Given the critical need for investments in clean water and sewage, the definition of appropriate projects in this category is broad.

Eligible uses of the CLFRF are aligned with projects that can receive funding from the Environmental Protection Agency's Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF), such as:
• Replacing lead service lines;
• Reducing energy required to treat drinking water;
• Protecting water or sewer infrastructure with effective cybersecurity practices*; and
• Supporting stormwater system resiliency.
• Broadband access for Underserved Populations
• Middle and Last Mile of Broadband

5	Expenditure Category: **Infrastructure**
5.1	Clean Water: Centralized wastewater treatment
5.2	Clean Water: Centralized wastewater collection and conveyance
5.3	Clean Water: Decentralized wastewater
5.4	Clean Water: Combined sewer overflows
5.5	Clean Water: Other sewer infrastructure
5.6	Clean Water: Stormwater
5.7	Clean Water: Energy conservation
5.8	Clean Water: Water conservation
5.9	Clean Water: Nonpoint source
5.10	Drinking water: Treatment
5.11	Drinking water: Transmission & distribution
5.12	Drinking water: Transmission & distribution: lead remediation
5.13	Drinking water: Source
5.14	Drinking water: Storage
5.15	Drinking water: Other water infrastructure
5.16	Broadband: "Last Mile" projects
5.17	Broadband: Other projects

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Can funds be used to invest in stormwater infrastructure?

With respect to wastewater infrastructure, recipients may use Fiscal Recovery Funds to construct publicly owned treatment infrastructure, manage and treat stormwater or subsurface drainage water, facilitate water reuse, and secure publicly owned treatment works, among other uses.

See p. 18 of the **Interim Final Rule**

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Administrative Expenses

Funds can be used to cover the cost of **any administrative work necessary to effectively distribute these funds**, including:

- Salaries and benefits for individuals administering the funds
- Technology costs associated with fund distribution
- Third party fees associated with fund administration

☑ Category 7

	Category	Cumulative expenditures to date ($)
7	Administrative and Other	
7.1	Administrative Expenses	
7.2	Evaluation and data analysis	
7.3	Transfers to Other Units of Government	
7.4	Transfers to Nonentitlement Units (States and Territories only)	

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☑ Category 7: **Transfers to Other Units of Government** — 25

Example: Treasury **FAQ guidance 1.3**

Are special-purpose units of government eligible to receive funds?

Special-purpose units of local government will not receive funding allocations; however, a state, territory, local, or Tribal government may transfer funds to a special-purpose unit of government. Special-purpose districts perform specific functions in the community, such as fire, water, sewer or mosquito abatement districts. Village Districts qualify under Treasury Guidance

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Considerations for Grant Management

How will funds be administered and monitored? — 26

? Who, internally, will administer and oversee use of funds? Including determining allowability

What processes will be used to communicate, capture data, identify direct and indirect costs, and develop reporting and performance.
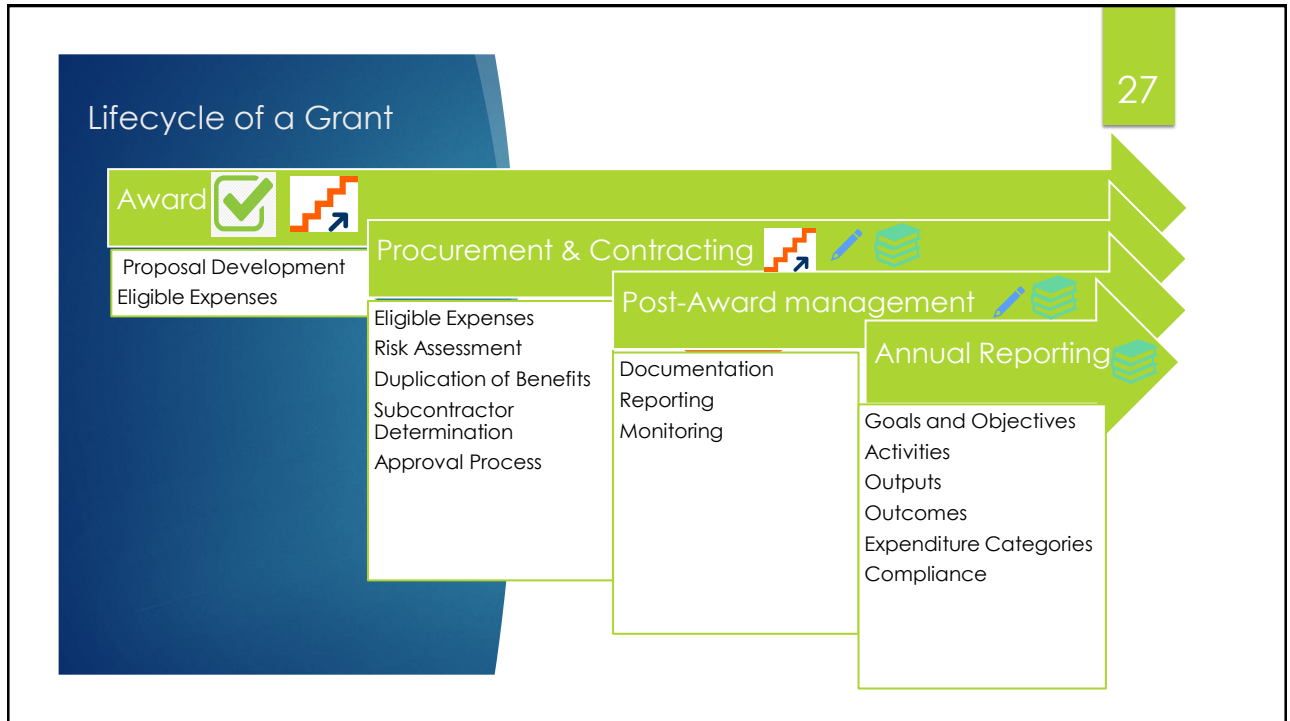
✓ Who will Develop reporting and performance measures, metrics and standards?

What written policies and procedures are in place or need to be updated? E.g., allowability of costs, procurement, conflict of interest, property standards, records retention etc

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Lifecycle of a Grant

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Award ✔ 📊

Proposal Development
Eligible Expenses

Procurement & Contracting 📊 ✏️ 📚

Eligible Expenses
Risk Assessment
Duplication of Benefits
Subcontractor Determination
Approval Process

Post-Award management ✏️ 📚

Documentation
Reporting
Monitoring

Annual Reporting 📚

Goals and Objectives
Activities
Outputs
Outcomes
Expenditure Categories
Compliance

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Award Considerations

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▶ Pre-Expenditure Checklist

- ❑ Evaluate Need to **maximize** use of funds
- ❑ Evaluate **allowability** of proposed project
- ❑ Establish an **approval** process and **implementation** timeline
- ❑ Perform Debarment Inquiry/Check
- ❑ Have and follow written procurement **policies/ procedures/Internal Controls**
- ❑ Perform **risk assessment** and **duplication of benefits analysis**

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Proposal Development:

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Recommended Steps

▶ Assemble a Core Team /Assign Roles

▶ Create an In-depth Needs Assessment

▶ Develop a Vision & Foster Community Engagement

▶ Explore All Funding Options

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Proposal Development:
Assessing the Eligibility of Projects and Services

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Identify	Ascertain	Assess	Determine
Identify the issue or effect created by COVID-19	Ascertain the connection between COVID-19 and the proposed project, program or service	Assess for disproportionate impact on distressed populations or sectors.	Determine how to prove the expense produces the expected outcome or, addresses the need

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Eligible Expenses

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Determine the Exact Proposed Use of the Funds and all associated costs.

1

Adhere to Grant management Best Practices

2

Review 2 CFR Part 200,SubpartE HERE.
• Procurement
• Cash Management Standards

3

Document all expenditures and monitoring maintaining complete financial records and supporting documents

4

Continue on-going monitoring and reporting to Treasury through the lifecycle of the grant.

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Uniform Guidance 2 CFR Part 200:

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Parts 1D and 1E: Uniform Administrative Requirements and Award Terms and Conditions

SLFRF recipients must follow the Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) and the Terms and Conditions of the SLFRF assistance.

• Allowable Activities
• Allowable Costs/Cost Principles (such as administrative costs and salaries and expenses)
• Cash Management
• Eligibility
• Subrecipient Monitoring
• SAM.gov Requirements
• Recordkeeping Requirements
• Single Audit Requirements
• Civil Rights Compliance

U.S. DEPARTMENT OF THE TREASURY
The Office of Recovery Programs

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Procurement Guidance Under Uniform Guidance

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➢ Public procurement laws and regulations must be followed to ensure taxpayer money is properly spent, and goods/services are responsibly purchased.

➢ Public Procurement Policy: Policy that describes the process and defines the legal requirements of purchasing goods and services from suppliers, vendors, and contractors. Based on pre-negotiated fair prices and under a predetermined set of terms.

➢ Procurement is to follow and conform to the legal requirements of the more restrictive policy (federal vs. local).

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Procurement "Claw" (Sections 200.317-326)

3. Sealed Bids
4. Competitive Proposals
2. Small Purchases
5. Sole Source
1. Micro-Purchases

General Standards:
A. Documented Policies
B. Necessary
C. Full & Open Competition
D. Conflict of Interest
E. Documentation
    i. Cost & Price Analysis
    ii. Vendor Selection

✏ Uniform Guidance Procurement Standards

2 CFR Part 200: 317-326

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Internal Controls Best Practices

Best Practice	Description	Example
Written policies and procedures	Formal documentation of recipient policies and procedures	Documented procedure for determining worker eligibility for premium pay
Written standards of conduct	Formal statement of mission, values, principles, and professional standards	Documented code of conduct / ethics for subcontractors
Risk-based due diligence	Pre-payment validations conducted according to an assessed level of risk	Enhanced eligibility review of subrecipient with imperfect performance history
Risk-based compliance monitoring	Ongoing validations conducted according to an assessed level of risk	Higher degree of monitoring for projects that have a higher risk of fraud, given program characteristics
Record maintenance and retention	Creation and storage of financial and non-financial records.	Storage of all subrecipient payment information.

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Two types of Federal procurement and thresholds

Informal

- **Micro Purchase:** up to $10,000
  - Can increase threshold up to $50,000 with self-certification justified and documented

- **Small Purchase:** $10,000 to $250,000
  - $250,000 is known as the Federal Simplified Acquisition Threshold (SAT)

Formal

- **Competitive Procurements:** SAT at $250,000

- **Sealed Bid Procurements:** SAT of $250,000

- **Sole Source:** does not have a threshold

- **Cooperative Purchasing Agreements:** does not have a threshold

See Federal Acquisition Regulations, CFR Title 48 Part 2

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Sole Sourcing

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From 2 CRF 200.320
(c) There are specific circumstances in which noncompetitive procurement can be used.

Circumstances in which a noncompetitive procurement can be awarded are, if:
✓ The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (see paragraph (a)(1) of this section);
✓ The item is available only from a single source;
✓ The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;
✓ After solicitation of a number of sources, competition is determined inadequate.

Recommendation :if you are unable to demonstrate any of the 4 circumstances above you should reach out to Treasury to provide authorization to engage in noncompetitive procurement. Treasury can be emailed at : SLFRP@treasury.gov

*Note :All Recipients are considered **'prime recipients'** of funds from Treasury, authorization for noncompetitive procurement must come from Treasury.*

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Subrecipient Monitoring

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▶ Clearly identify to subrecipient:

  ▶ Award is a subaward of the SLFRF funds

  ▶ Any and all compliance requirements for the use of SLFRF funds

  ▶ Any and all report requirements for expenditures of SLFRF funds

  ▶ Evaluate subrecipient risk of noncompliance (common factors)

  ▶ Ongoing monitoring, identification of deficiencies, follow-up to ensure appropriate remediation

  ▶ Written policies and procedures for subrecipient monitoring and risk assessment

  ▶ Maintenance of records and documentation of subrecipient monitoring

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Subrecipient v. Vendor/Contractor or Beneficiary Determination

▶ **Subrecipient**: A Subrecipient is responsible for programmatic decision-making, uses funding to carry out a program for a public purpose specified in an authorizing statute and exercises considerable discretionary judgment in performing work

▶ **Contractor**: A Vendor/Contractor provides goods or services for the benefit of an entity-city, county, town, state.

▶ **Beneficiary**- individuals and organizations (e.g., businesses non-profits, or educational institutions) that are beneficiaries of an assistance program established using payments from the Fund.

Contractor	Subrecipient
• Obtains goods or provides services which generally creates a procurement relationship	• Creates a federal assistance relationship
• Usually provides these goods or services within normal business operations	• Determines who is eligible to receive what federal assistance
• Provides these goods and services to many purchasers	• Performance measured in relation to whether objectives of federal program were met
• Generally operates in a competitive environment	• Has programmatic decision-making responsibilities
• The goods and services provided are ancillary to the federal program	• Must comply with program requirements
• A contractor does not generally participate in the design of the project	• Uses the funds to carry out program for public purpose specific to the award
• Little to no independent decision-making is involved	• Substantive, programmatic work or an important or significant portion of the program is being undertaken
• There is a commitment to deliver a good or service on a specific date or cost	• The receiving entity (subrecipient) retains some element of programmatic control and discretion
• The technology or products developed will not be owned by the contractor	• May have to provide cost sharing or matching funds

See 2 CFR 200.331.

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Risk Assessment

1. Identify potential risk anticipating any adverse consequences to occur as part of program or project implementation and allocation of funds!

2. Analyze each identified risk for level of importance and impact on policies and procedures and resources.

3. Take actions to manage and mitigate risk

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Assessing Risk for Sub-Recipients

- ❑ Evaluate, document, & classify risk before allocating funds to subrecipient.
- ❑ Use an assessment tool, similar to the one available online, to determine subrecipient's level of risk (e.g., high, medium or low risk)
- ❑ Consider actions to manage and mitigate risk of subrecipient

Risk Assessment Tool

Example: Non-Profit Sub-Recipients   41

A statewide nonprofit has a history of being awarded grant funds without compliance issues.

A **SAM.gov** search is completed to confirm no **suspension or debarment.**

Prior to each new grant award of funds, applicants are checked for risks

Further review is conducted to verify having a procurement policy and procedures.

This nonprofit is cleared and not a risk.

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Suspension and Debarment

- • Specific Treasury Terms and Conditions 2 CFR 180, 31 CFR 19

How do I know if a person/organization is excluded?   42

- ➢ Check the Excluded Parties List System (EPLS) to determine whether a person is excluded.
- ➢ The General Services Administration (GSA) maintains the EPLS and makes it available, as detailed in subpart E of this part.
- ➢ When a Federal agency takes an action to exclude a person under the nonprocurement or procurement debarment and suspension system, the agency enters the information about the excluded person into the EPLS

- ➢ **SAM.gov** The System for Award Management (SAM) is the Official U.S. Government system that consolidated the capabilities of CCR/FedReg, ORCA, and EPLS

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Duplication of Benefits

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ARPA grantees are required to avoid a duplication of benefits.

A duplication of benefits occurs when the amount of the assistance exceeds the total identified need.

An analysis should be conducted by the grantee before assistance is provided and should only pay for needs not met by other sources.
     Sources and Uses Calculation
 1) Identify total need prior to assistance (the need of an applicant or a city/county).
2) Identify potentially duplicative assistance. Are other agencies or government entities receiving ARPA funds? If so, will funds be used for a different purpose?
3) Subtract all assistance found to be duplicative, resulting in the maximum potential award amount, or unmet need.

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Duplication of Benefits Analysis

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Duplication of Benefits Check

Funding Sources	Amount Received	Unmet Need
Insurance proceeds	Minus Amount	
Charitable contributions	Minus Amount	
Non-Profits	Minus Amount	
Other Funding sources (list all)	Minus Amount	
Total Amount received	XXXX	XXXX
Balance		XXXX***

*** If this amount is greater than zero then a duplication of benefits exists

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Approval Process

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- ❑ Identify roles and responsibilities–who are the decision makers on approving use of funds and who are responsible for award, issuance, monitoring, and reporting

- ❑ Assign responsibility to different staff to segregate duties– for example, person to issue payment is not person approving payment

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State and Local Fiscal Recovery Funds is subject to additional federal requirements

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- ▶ Record retention for 5 years after all funds have been expended or returned to Treasury, whichever is later
- ▶ Administrative Costs: Direct and Indirect
- ▶ Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20
- ▶ New Lobbying restriction 31 CFR Part 21
- ▶ Seat belts Executive Order 13043, 62 FR 19217 (Apr. 18, 1997)
- ▶ Texting while driving Executive Order 13513, 74 FR 51225 (Oct. 6, 2009)
- ▶ Publications: Any publications produced with funds from this award must display the following language: "This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to [Recipient] by the U.S. Department of the Treasury."

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Relevant FAQ's

➤ Are eligible infrastructure projects subject to the Davis-Bacon Act? See **FAQ guidance 6.17**

The Davis-Bacon Act requirements (prevailing wage rates) do not apply to projects funded solely with award funds from the CSFRF/CLFRF program, except for CSFRF/CLFRF-funded construction projects undertaken by the District of Columbia.

➤ May governments retain assets purchased with Fiscal Recovery Funds? **FAQ guidance 10.1**
   If so, what rules apply to the proceeds of disposition or sale of such assets?

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds. If such assets are disposed of prior to December 31, 2024, the proceeds would be subject to the restrictions on the eligible use of payments. Please reference the prescribed federal procedure for the disposal or sale of Federal Government assets.

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📚 NEU Reporting

NEUs FIRST REPORTING DEADLINE: October 31, 2021, and then it is due annually thereafter. For the first deadline, NEUs will be required to report only those funds that have been obligated or expended by September 30, 2021.

▶As prime recipients of a Federal award, NEUs are required to report to the Treasury on the use of funds. The first report is due to the Treasury by October 31, 2021. NEUs will be asked to provide the following during the first reporting to the Treasury:

▶NEU Recipient Number (a unique identification code for each NEU provided by OBM in the registration approval e-mail sent to the grant contact);

▶ Copy of the signed award terms and conditions agreement (provided from the Treasury) that was provided to OBM;

▶Copy of the signed assurances of compliance with Title VI of the Civil Rights Act of 1964 (provided from the Treasury) that was provided to OBM;

▶Copy of actual budget documents validating the top-line budget total provided to the State as part of the request for funding; and

▶Financial data on Projects and Expenditures (Award Date – September 30, 2021).

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Treasury Submission Portal and Training

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- INFORMATION SUBMITTED VIA TREASURY SUBMISSION PORTAL.

- DETAILED USER GUIDE AND REFERENCE MATERIALS WILL BE PROVIDED

- TECHNICAL ASSISTANCE WEBINARS TO SUPPORT RECIPIENTS' REPORTING REQUIREMENTS.

- FURTHER COMMUNICATIONS TO BE POSTED ON TREASURY'S WEBSITE.

NEUs were not required to have their SAM registration before applying, but it is still required

If your entity has not yet applied, do so as soon as possible. .
There is no charge to register or maintain your entity SAM registration.
 Any website seeking a fee is fraudulent.

Please visit SAM.gov to begin the entity registration or renewal process.

Please note that SAM registration can take up to three weeks; delay in registering in SAM could impact

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? Questions?

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Thank you!

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Resources:

US DEPARTMENT OF TREASURY CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS SITE

HTTPS://HOME.TREASURY.GOV/POLICY-ISSUES/CORONAVIRUS/ASSISTANCE -FOR-STATE-LOCAL-AND-TRIBAL-GOVERNMENTS/STATE-AND-LOCAL-FISCAL-RE COVERY-FUNDS

ASSISTANCE LISTING NUMBER (FORMERLY KNOWN AS CFDA NUMBER)
HTTPS://SAM.GOV/FAL/7CECFDEF62DC42729A3FDCD449BD62B8/VIEW

SLFRF IMPLEMENTING REGULATIONS HTTPS://WWW.GOVINFO.GOV/CONTENT/PKG/FR-2021-05-17/PDF/2021-10283.PDF

UNIFORM GUIDANCE 2 CRF PART 200 HTTPS://ECFR.FEDERALREGISTER.GOV/CURRENT/TITLE-2/SUBTITLE-A

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