The American Rescue Plan Act



Government Finance Officers Association

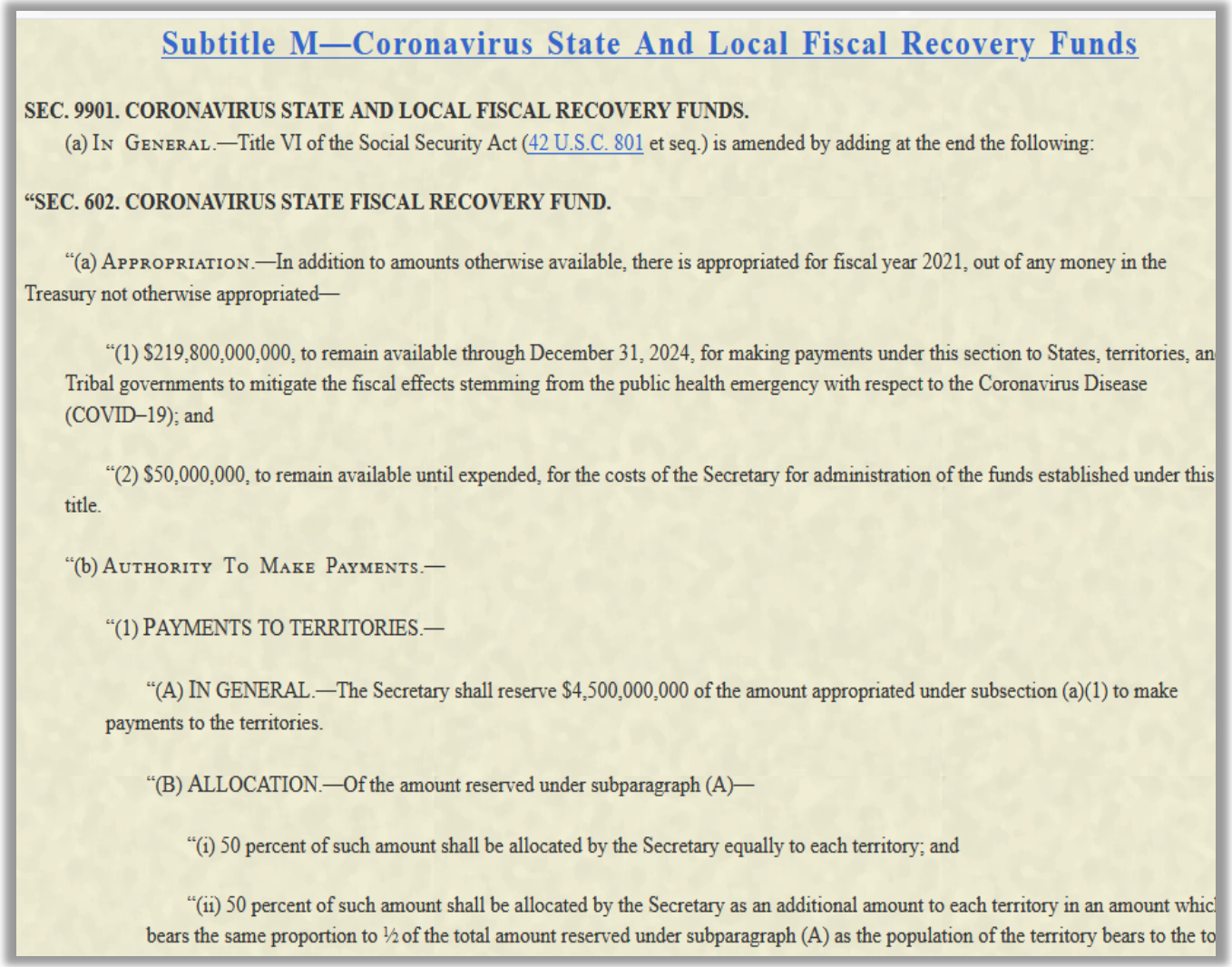
Roadmap

- Part 1: GFOA Guiding Principles
- Part 2: Rules and Updates
- Part 3: Compliance and Reporting

The American Rescue Plan Act of 2021

American Rescue Plan Act of 2021

- American Rescue Plan Act
  - Subtitle M
  - Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)
    - Section 602: Coronavirus State Fiscal Recovery Fund
    - Section 603: Local Fiscal Recovery Fund



Subtitle M—Coronavirus State And Local Fiscal Recovery Funds

SEC. 9901. CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS.

(a) IN GENERAL.—Title VI of the Social Security Act (42 U.S.C. 801 et seq.) is amended by adding at the end the following:

"SEC. 602. CORONAVIRUS STATE FISCAL RECOVERY FUND.

"(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated for fiscal year 2021, out of any money in the Treasury not otherwise appropriated—

"(1) $219,800,000,000, to remain available through December 31, 2024, for making payments under this section to States, territories, an Tribal governments to mitigate the fiscal effects stemming from the public health emergency with respect to the Coronavirus Disease (COVID–19); and

"(2) $50,000,000, to remain available until expended, for the costs of the Secretary for administration of the funds established under this title.

"(b) AUTHORITY TO MAKE PAYMENTS.—

"(1) PAYMENTS TO TERRITORIES.—

"(A) IN GENERAL.—The Secretary shall reserve $4,500,000,000 of the amount appropriated under subsection (a)(1) to make payments to the territories.

"(B) ALLOCATION.—Of the amount reserved under subparagraph (A)—

"(i) 50 percent of such amount shall be allocated by the Secretary equally to each territory; and

"(ii) 50 percent of such amount shall be allocated by the Secretary as an additional amount to each territory in an amount whic bears the same proportion to ½ of the total amount reserved under subparagraph (A) as the population of the territory bears to the to

American Rescue Plan Act of 2021

- **$1.9 Trillion TOTAL**
- **$350B to states and local governments**
- **The state portion of the funding is $195 billion:**
  - $1.25 billion minimum will be distributed equally among the 50 States and the District of Columbia.
  - Remaining amount will be distributed according to a formula that takes into account each state's share of unemployed individuals.



American Rescue Plan Act of 2021

- **The local portion of the funding is $130 billion**
  - Equally divided between cities and counties.
  - For cities, $45.5 billion of the $65 billion will be allocated to metro cities (pop. over 50,000) utilizing a modified formula,
  - and the remaining amount for smaller jurisdictions (pop. under 50,000) will be allocated according to pop. share but will not exceed 75 percent of their most recent budget.
  - For counties, the $65 billion will be allocated based on the county share of population. Counties that are CDBG recipients would receive the larger share between the population based on CDBG formula.



- Payments to local governments will be made in two tranches - first half 60 days after enactment, second half one year later.

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- **Eligible uses include (section 602 and 603)**
  - "(A) to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
  - "(B) to respond to workers performing essential work during the COVID–19 public health emergency by providing premium pay to eligible workers of the State, territory, or Tribal / local government that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
  - "(C) for the provision of government services to the extent of the reduction in revenue of such State, territory, or Tribal / local government due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year of the State, territory, or Tribal government prior to the emergency; or
  - "(D) to make necessary investments in water, sewer, or broadband infrastructure.

GFOA Guiding Principles

GFOA ARPA Guiding Principles

- Temporary Nature of ARPA Funds
  - Care should be taken to avoid creating new programs or add-ons to existing programs that require an ongoing financial commitment.
  - Use of ARPA funds to cover operating deficits caused by COVID-19 should be considered temporary and additional budget restraint may be necessary to achieve/maintain structural balance in future budgets.
  - Investment in critical infrastructure is particularly well suited use of ARPA funds because it is a non-recurring expenditure that can be targeted to strategically important long- term assets that provide benefits over many years. However, care should be taken to assess any on-going operating costs that may be associated with the project.

GFOA ARPA Guiding Principles

- ARPA Scanning and Partnering Efforts

  - Local jurisdictions should be cognizant of state-level ARPA efforts, especially regarding infrastructure, potential enhancements of state funding resources, and existing or new state law requirements.

  - Consider regional initiatives, including partnering with other ARPA recipients. It is possible there are many beneficiaries of ARPA funding within your community, such as schools, transportation agencies and local economic development authorities. Be sure to understand what they are planning and augment their efforts or create cooperative spending plans to enhance the structural financial condition of your community.

GFOA ARPA Guiding Principles

- Take Time and Careful Consideration
  - Use other dedicated grants and programs first whenever possible and save ARPA funds for priorities not eligible for other federal and state assistance programs.
  - Whenever possible, expenditures related to the ARPA funding should be spread over the qualifying period (through December 31, 2024) to enhance budgetary and financial stability.
  - Adequate time should be taken to carefully consider all alternatives for the prudent use of ARPA funding prior to committing the resources to ensure the best use of the temporary funding.

Guidance and Central Statements

Your New Best Friends

- The Interim Final Rule
- Frequently Asked Questions
- Compliance and Reporting Guide
- The User Guide for Treasury's Portal
- 2CFR200 and all Compliance Supplements
- GFOA

Central Statements

- **RESTRICTIONS:**
  - Depositing funds into a pension fund.
  - Offsetting a reduction in net tax revenue caused by the recipient's change in law, regulation, or administrative interpretation (States/Territories only).
  - 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**
  - Unless otherwise noted (e.g. premium pay)
- **Costs can be incurred by December 31, 2024**
  - Must be **expended by December 31, 2026**

- **"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".
    - Definition does not qualify in GAAP

Other Circumstances

- **Public Health/Negative Economic Impact:**
  - Beneficiaries may have incurred arrearages prior to the covered period, as long as the expenditure of the prime recipient was in the covered period.
- **Premium Pay:**
  - May be used for a period prior to the covered period, but the expenditure of the prime recipient has to be within the covered period.
- **Eligible Projects:**
  - Recipients may use funds to cover costs incurred for eligible projects planned or started prior to March 3, 2021 provided that the project costs covered by the funds were incurred after March 3, 2021.

Recipients & Sub-recipients

- **Recipients**: Eligible entities identified in sections 602 and 603 that received a CSLFRF award:
  - States and the District of Columbia, Territories, Tribal governments, Counties, Metropolitan cities, Non-entitlement units, or smaller local governments.
- **Sub-recipients:** Entities that receive a sub-award from a recipient to carry out the purposes (program/project) of the award on behalf of the recipient.

- **Recipients are responsible for sub-recipient monitoring**:
  - Clearly identify to the sub-recipient that the award is CSLFRF.
  - Identify all compliance requirements and any reporting requirements.
  - Initial and ongoing evaluation of each sub-recipients risk of noncompliance.
  - Develop written policies and procedures for sub-recipient monitoring and risk evaluation as well as sufficient document retention policies.

Uniform Administrative Requirements

1. **Review:**
   - **Applicable Uniform Guidance** **(Link to Electronic Code of Federal Regulations),**
   - **2021 OMB Compliance Supplement**
   - **Compliance Supplement Addendum** **(expected issuance in Fall 2021)**
2. **Make a plan:**
   - Per 2 CFR 200.303, your organization must **develop and implement effective internal controls** to ensure that funding decisions under the CSLFRF constitute eligible use of the funds and document determinations.
   - Pay particular attention to processes determining eligibility and period of performance.

WHEN WILL WE SEE THE FINAL RULE

Eligible Expenditures

Eligible Expenditures: Four Main Categories

A. COVID-19 or a negative economic impact

B. Premium pay for eligible workers

C. For government services to the extent of the loss of revenue

D. Investments in water, sewer and broadband infrastructure

A. COVID-19 or a Negative Economic Impact

COVID-19 Eligible Expenditures

Eligible Uses	Details
Containing/Mitigating Covid-19 (IFR p. 16)	• Vaccine programs, PPE, medical expenses • Enhancing public health data systems • **Capital investments in public facilities to meet pandemic operational needs etc.**
Behavioral Healthcare Needs (IFR p. 17)	• Mental health/substance abuse treatment • Crisis intervention/hotlines • Services to promote access to social services
Payroll/Benefits for: Public health/safety Human services Similar employees (IFR p. 18)	• Eligible to the extent that the work completed was for COVID-19 response/mitigation. • For administrative convenience, **public health/safety workers**, recipients can use funds to cover the **full payroll and covered benefits costs** for employees or operating units or divisions **primarily dedicated to the COVID-19 response.** • Payroll and covered benefits can also be used for an employee's pension benefits as part of their payroll contribution to their pensions (FAQs).

Negative Economic Impact

Eligible Uses	Details (p. 21-38)
Impacted Industries (Tourism/Travel/Hospitality etc.) (IFR p. 32)	• Implement COVID-19 mitigation/prevention measures to enable **safe resumption** of tourism, travel, and hospitality services • E.g. improvements to ventilation, physical barriers or partitions, signage to facilitate social distancing, provision of masks or personal protective equipment, or consultation with infection prevention professionals to develop safe reopening plans
Rebuilding Public Sector Capacity to Pre-Pandemic Levels (IFR p. 32)	• Payroll Benefits • Rehiring public-sector staff • Replenishing UI trust funds
Small Business support (IFR p. 30)	• Loans, grants, in-kind assistance for operation continuity, mitigation/prevention, and counseling programs to rebound from the downturn
Hardest-hit Communities (IFR p. 34)	• Investing in socioeconomic disparities, housing/communities • Addressing disparities in education

UPDATES

- Retroactive payments to individuals in utility, rental arrearages
- Public health and safety payroll covered – defined "primary dedication"
- Capital investments in public facilities to meet pandemic operational needs includes retrofitting public facilities for the purpose of COVID-19
- "Hardest Hit Communities" Better defined in the *Compliance and Reporting* document
- Tax treatments of payments to individuals in IRS

IRS Engagement

CRA Taxable Income

- Grants to businesses are considered gross taxable income
- Loan programs proceeds are generally not included in gross income unless the amount of that loan is forgiven

ERAP

- A renter receiving relief is not considered income to households
- ERA payments, including utilities or energy expenses are not considered income
- Payments to landlords IS taxable
- Payments directly to a distributing entity is taxable

ARPA

- To individuals?
- To businesses?
- To distributing entitles?



September 15, 2021

Office of the Undersecretary for Domestic Finance
Department of Treasury
1500 Pennsylvania Ave. NW
Washington, D.C. 20220

To whom it may concern:

The undersigned organizations write today in strong support of allowing utility assistance to households or populations facing negative economic impacts due to COVID-19 as an eligible use of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) as provided under the Department of Treasury's Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule.

However, there is a question as to whether such assistance to residential households and other non-business utility customers is includable in income. As a result, households receiving such assistance must consider themselves at risk of additional tax liability and/or a decrease in income-based benefits, such as the Earned Income Tax Credit. This question is also of concern to agencies, departments, and utilities implementing such assistance programs because they would be required to report this assistance as income to the Internal Revenue Service (IRS). While the February 1, 2022, deadline for filing such reports seems distant, program

B. Premium Pay for Eligible Workers

Premium Pay (IFR p. 40)

- Can be used **retroactively**
- Employees of the jurisdiction designated by executive as essential
- Can be provided directly, or through grants to private employers to public health/safety staff and essential workers outside the public sector:
- Workers at food production facilities, grocery stores, and restaurants, janitors/sanitation workers, truck drivers, and warehouse workers etc.
  - Contact workers performing essential work also eligible.
    - E.g. *If a municipality contracts with a third party to perform sanitation work, the third-party contractor could be eligible to receive a grant to provide premium pay for these eligible workers.*

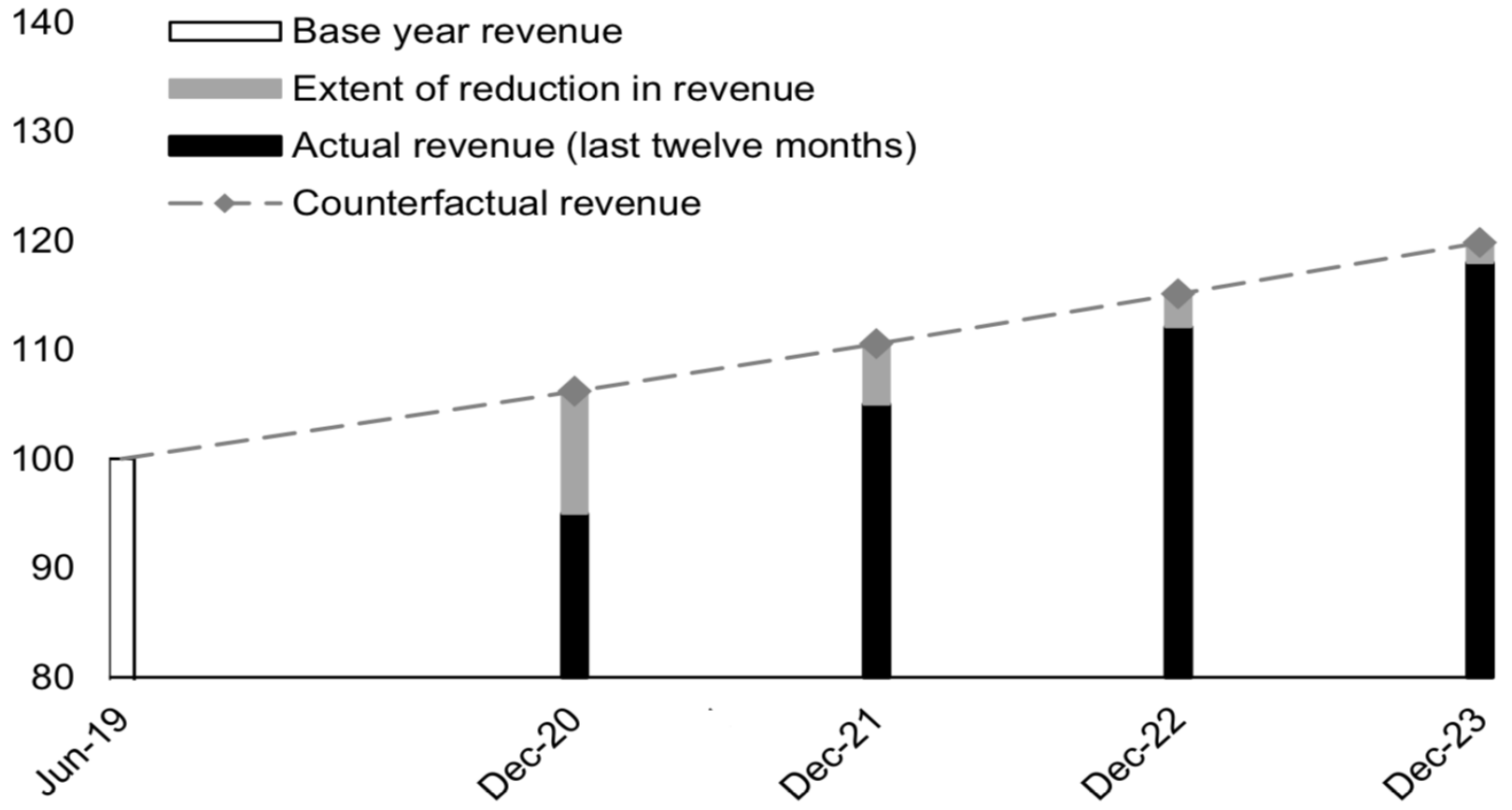
UPDATES

- Questions still outstanding:
  - Justification of 150% of “average wage”
  - Tax responsibility of income to non-governmental workers
- Semantics: NOT “bonus” or any supplant of pay

C. For Government Services to the Extent of the Loss of Revenue

Types of Data Needed (IFR p. 53)

The overall methodology for calculating the reduction in revenue is illustrated in the figure below:



Revenue Calculation

- What is OUT of the revenue calculation:
  - Federal transfers (even those flowing through the State) (IFR)
  - Intergovernmental transfers from your entity to your entity (Census p. 45)
  - Revenues from utilities (water supply, electric power, gas supply, and public mass transit systems) Census p. 65
  - Refunds and other correcting transactions (IFR)
  - Proceeds from the issuance of debt (IFR)
  - Liquor store revenues Census p. 62

- What is IN?
  - Everything not listed above
    - taxes, fees and other revenues to support public services
  - Including Fees generated by the underlying economy
    - Component units and enterprise funds
    - civic center, zoo, parking, ports, sports stadiums etc. etc. etc.

GFOA Revenue calculator

GFOA Revenue Loss Calculator

Background Information

			Notes:
1)	Fiscal Year End	June	
	Base Year Revenue Perio	6/30/2019	FY used for base year calculation
2)	Calculation Date	12/31/2020	
	Number of Months	18	Months between Base Year and Calculation Date

Estimate Revenue

3)	Base Year Revenue	$ 1	Use Worksheet to Calculate
4)	Growth Rate	4.1%	Use Worksheet to Calculate
	Counterfactual Revenue	$ 1	Estimated Revenue Without Pandemic
5)	Actual Revenue	$ 1	Use Worksheet to Calculate

Reduction in Revenue

Fiscal Year Ended *12/31/2020*

Revenue Reduction	$ 0
Revenue Reduction %	-5.8%

- Base year calculation includes:
  - Taxes
  - Intergovernmental revenue
  - Other revenues
- Growth rate:
  - Compares years 2016-2019 in eligible revenue categories
- Actual revenues calculated on December 31 each year

Base Year Revenue Worksheet

Fiscal Year Ended 6/30/2019

Revenue Source	Base Revenue (Y/N)	Amount
Taxes	Amount of tax collections for all taxes imposed by the government.	
Property Tax		
Property Tax	Y	$ 1
Sales and Gross Receipts Tax		
General Sales and Use Tax	Y	$ -
Selective Sales Tax		
Alcoholic Beverage	Y	$ -
Amusements Sales Tax	Y	$ -
Motor Fuels Sales Tax	Y	$ -
Parimutuels Tax	Y	$ -
Public Utilities Sales Tax	Y	$ -
Tobacco Products Tax	Y	$ -
Other Sales Tax	Y	$ -
Licensing and Permit Taxes		
Alcoholic Beverage Licensing and Permits	Y	$ -
Building/Construction Permits	Y	$ -
Amusements Licensing and Permits	Y	$ -
Motor Vehicles Licensing and Permits	Y	$ -
Public Utilities Licensing and Permits	Y	$ -
Occupation and Business Licensing and Permits	Y	$ -
Other Licensing and Permits	Y	$ -
Income Tax		
Individual Income Tax	Y	$ -
Corporate Income Tax	Y	$ -
License and Permit Tax		
Alcoholic Beverage	Y	$ -
Amusements	Y	$ -
Motor Vehicles	Y	$ -
Public Utilities	Y	$ -
Occupational and Business Licenses	Y	$ -
Other Selective Sales	Y	$ -
Other Taxes		
Death and Gift Tax	Y	$ -
Documentary and Stock Transfer Tax	Y	$ -
Severance Tax	Y	$ -
Other	Y	$ -

Process for Revenue Replacement

- Look at the past 2019 base year revenue
- Recipients average annual growth of the past three fiscal years
  - Apply 4.1% growth rate or greater to annual revenues collected
- Multiplier applies to the revenue collected in each *calendar* year
  - Checkpoint each December 31 for actual revenues
  - Not the fiscal year!
- Compare projected growth revenue to actuals collected
  - If actual exceeds projected, collection is zero for that year

Government Services

- What can I spend it on?
  - "Government services"
    - Directly provide services or aid to citizens
    - Maintenance pay go of building
      - Can use it on a capital project together with bond financed portion
      - You can start a project and you finish it with future revenues / bonds
    - Cybersecurity, Healthcare service, School or education services, Police, fire or public safety
  - NOT ALLOWED:
    - NOT ON principal or interest of debt service (or settlement agreement)
    - NOT ON reserves or rainy day funds

UPDATES

- No definitive word about fiscal year end versus calendar year end HOWEVER:
  - Treasury consistently says to follow the Interim Final Rule
  - Interim Final Rule says prime recipients must use consistent accounting methodologies
  - Compliance and Reporting requires prime recipients to report December 31 figures no later than 31 days after year end

- Local procurement policies (including collaborative purchasing programs) in lieu of competitive purchasing requirements. Treasury notes addressing this in final rule

D. Investments in Water, Sewer and Broadband Infrastructure

Water/Sewer Infrastructure

- **Necessary investments** are designed to provide an adequate minimum level of service and are unlikely to be made using private sources of funds.
- Uses aligned with Environmental Protection Agency's **Clean Water Revolving Fund** and **Drinking Water State Revolving Fund** to expedite project identification.
  - Building/upgrading facilities and transmission, distribution, and storage systems, including the replacement of lead service lines.
  - Invest in wastewater infrastructure projects
    - E.g. constructing publicly-owned treatment infrastructure, managing and treating stormwater or subsurface drainage water, facilitating water reuse, and securing publicly-owned treatment works
- ***Recipients retain substantial flexibility to identify those water and sewer infrastructure investments that are of the highest priority for their own communities***

Broadband Infrastructure (IFR p. 61)

- Build broadband infrastructure with modern technologies in mind, specifically projects that deliver services offering:
  - reliable 100 Mbps download and 100 Mbps upload speeds, unless impracticable due to topography, geography, or financial cost.
- Assisting households to support internet access or digital literacy is an eligible use.



UPDATES

- *ICMA and GFOA preliminary survey find significant use of this category*
- “significant flexibility” includes projects already in process, freeing up capital budget

Audit and Reporting Requirements

Compliance and Reporting Guidance

Recipient	Interim Report	Project and Expenditure Report	Recovery Plan Performance Report
States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents	By August 31, 2021, with expenditures by category	By October 31, 2021, and then 30 days after the end of each quarter thereafter[9]	By August 31, 2021, and annually thereafter by July 31 [10]
Metropolitan cities and counties with a population below 250,000 residents which received more than $5 million in SLFRF funding			Not required
Tribal Governments			
Metropolitan cities and counties with a population below 250,000 residents which received less than $5 million in SLFRF funding		By October 31, 2021, and then annually thereafter[11]	
NEUs	Not required		

Use of Expenditure Categories (EC)

- **Appendix 1**
  - **Compliance & Reporting Guidance (p. 31)**
- EC must be used to categorize each project.
- *** symbol** denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions.
- **^ symbol** denotes areas where recipients must report on whether projects are primarily serving disadvantaged communities.
  - **Project demographic distribution**

1: 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
2: 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

EC determination if classifications spread

If the "project should be scoped to align to a single Expenditure Category" (EC), what about cases where there are multiple expenditure categories associated with the project?

- Recipients should align the project to the best fit with a single Expenditure Category (e.g. 1.1) and use the project description to further describe the project as needed.
- Recipients may also define the scope of their projects as needed so that they align to a single Expenditure Category; as the reporting guidance notes, "projects should be defined to include only closely related activities directed toward a common purpose."

Use of Evidenced-Based Intervention

Compliance & Reporting Guidance Appendix 2 (p. 33)

Strong Evidence	Moderate Evidence	Preliminary Evidence
• The evidence base can support causal conclusions for the specific program proposed by the applicant with the highest level of confidence. • Consists of one or more well-designed and well-implemented experimental studies conducted on the proposed program with positive findings on one or more intended outcomes.	• Reasonably developed evidence base that can support causal conclusions. • Evidence base consists of one or more quasi-experimental studies with positive findings on one or more intended outcomes OR two or more non- experimental studies with positive findings on one or more intended outcomes.	• Evidence base can support conclusions about the program's contribution to observed outcomes. • The evidence base consists of at least one non- experimental study. A study that demonstrates improvement in program beneficiaries over time on one or more intended outcomes OR an implementation (process evaluation) study used to learn and improve program operations would constitute preliminary evidence.

Project Demographic Distribution

- Recipients will be asked to identify whether or not the project is serving an economically disadvantaged community.
- Recipients may assume that the funds for a project count as being targeted towards economically disadvantaged communities if the project funds are spent on:
  - A program or service is provided at a physical location in a Qualified Census Tract (for multi-site projects, if a majority of sites are within Qualified Census Tracts);
  - A program or service where the primary intended beneficiaries live within a Qualified Census Tract;
  - A program or service for which the eligibility criteria are such that the primary intended beneficiaries earn less than 60 percent of the median income for the relevant jurisdiction (e.g., State, county, metropolitan area, or other jurisdiction); or
  - A program or service for which the eligibility criteria are such that over 25 percent of intended beneficiaries are below the federal poverty line.

Recipients who have or plan to have expenditures under Revenue Replacement EC (6.1):

- **Required Programmatic Data:**

6: Revenue Replacement	
6.1	Provision of Government Services

1. Base year general revenue
   - e.g. revenue in the last full fiscal year prior to the public health emergency.
2. Fiscal year end date
3. Growth adjustment used
   - either 4.1% or average annual general revenue growth over 3 years prior to pandemic
4. Actual general revenue as of the twelve months ending in December 31, 2020.
5. Estimated revenue loss due to the Covid-19 public health emergency as of December 31, 2020.
6. **An explanation of how revenue replacement funds were allocated to government services**
   - (Note: additional instructions and/or template to be provided in users' guide)

Projects Identified (specifically 6.1) in Interim Report

What if recipients "plan to" spend in 6.1 but found other COVID necessary expenditures (such as in EC1) between July 31 and September 30? Can they revise the report? Or should they wait to report in Project & Expenditure once the decisions are final?

- If the recipient's plans have not reached to the stage of obligations, then those anticipated expenses do not yet have to be reported.
- Revisions and future obligations/ expenditures can be reported in the subsequent Project & Expenditures Reporting.

DEADLINE: October 31st

PROJECT & EXPENDITURE REPORT

QUARTERLY REPORT

- **WHO:**
  - States, territories and tribal governments
  - Metropolitan cities and counties that received more than $5M
- **WHEN:**
  - Initial report will cover two calendar quarters *from the date of award to September 30, 2021*
    - DUE October 31, 2021.
  - Subsequent quarterly reports will cover one calendar quarter
    - Must be submitted within 30 calendar days after the end of each calendar quarter.

ANNUAL REPORT

- **WHO:**
  - Metro cities and counties that received less than $5M
  - NEUs
- **WHEN:**
  - Initial reports will cover *the date of award to September 30, 2021*
    - DUE October 31, 2021.
  - Subsequent reports will cover one calendar year
    - Must be submitted by October 31 of that year

Required Information

Projects (and defining projects):

- Projects are new or existing eligible government services or investments funded in whole or in part by the CSLFRF funding.
- For each project, the recipient will be required to enter:
  - the project name, identification number (created by the recipient), project expenditure category (see Appendix 1), description, and status of completion.
- Between 50 and 250 words.
- For each project, the recipient will be asked to select the appropriate EC based on the scope of the project in Appendix 1.
- Projects should be scoped to align to a single EC.

Required Information

Expenditures

- Current period obligation
- Cumulative obligation
- Current period expenditure
- Cumulative expenditure

Project status

- Not started
- Completed less than 50 percent
- Completed 50 percent or more
- Completed

Required Information

- **Project Demographic Distribution**

  Recipients will be asked to identify whether or not the project is serving an economically disadvantaged community. This may be assumed where programs and services:

  - Are provided at a physical location in a Qualified Census Tract;
  - Have primary intended beneficiaries who live within a Qualified Census Tract;
  - Have eligibility criteria such that the primary intended beneficiaries earn less than 60% of the median income for the relevant jurisdiction; or
  - Have the eligibility criteria such that over 25% of intended beneficiaries are below the federal poverty line.

Required Information

- **Subawards**
  - Specific information required for each subaward (Contract, Grant, Loan, Transfer, or Direct Payment) **greater than or equal to $50,000**
  - Aggregate reporting is required for contracts, grants, transfers made to other government entities, loans, direct payments, and payments to individuals that are **below $50,000**.
  - This information will be accounted for by expenditure category at the project level.

- **Civil rights compliance**
  - Treasury will request information on recipients' compliance with Title VI of the Civil Rights Act of 1964 on an annual basis.
  - This information may include a narrative describing the recipient's compliance with Title VI, along with other questions and assurances.

Required Information – Non-Infrastructure Projects

- Pay particular attention to additional reporting requirements if you are spending in the following categories:
  - Payroll (EC 1.9)
  - Household assistance (EC 2.1-2.5)
  - Small Business Economic Assistance (EC 2.9)
  - Aid to travel or tourism industries (EC 2.11-2.12)
  - Rehiring public sector staff (EC 2.14)
  - Education assistance (EC 3.1-3.5)
  - Premium pay (EC 4.1 and 4.2)
  - Revenue Replacement (EC 6.1)

Required Information – Infrastructure (cont.)

Infrastructure projects (EC 5)

- Each project is required to satisfy the reporting requirements listed but additional reporting includes:
  - Projected/actual construction start date (month/year)
  - Projected/actual initiation of operations date (month/year)
  - Location (for broadband, geospatial location data)

Required Information – Infrastructure

Projects Over $10M

- EITHER:
  - Davis bacon certification OR
  - Project employment and local impact report
- EITHER:
  - Certification that a project includes a project labor agreement OR
  - Project workforce continuity plan
- Whether the project prioritizes local hires
- Whether the project has a Community Benefit Agreement with a description of the agreement
- Additional information for water and sewer and broadband projects

NEU Documentation

- Each NEU will also be asked to provide the following information with their **first report** submitted by October 31, 2021:
  1. Copy of the signed award terms and conditions agreement (which was signed and submitted to the State as part of the request for funding)
  2. Copy of the signed assurances of compliance with Title VI of the Civil Rights Act of 1964 (which was signed and submitted to the State as part of the request for funding)
  3. Copy of actual budget documents validating the top-line budget total provided to the State as part of the request for funding

DEADLINE: August 31st

Annually thereafter

RECOVERY PLAN PERFORMANCE REPORT

Recovery Plan Performance Report

- **WHO:**
  - States, territories, metropolitan cities and counties **above 250,000 population.**
- **WHEN:**
  - Initial report due August 31, and annually thereafter.
- **WHAT:**
  - Each jurisdiction may determine the general form and content of the Recovery Plan, as long as it includes the **minimum information determined by Treasury**.
- **Template has been provided by Treasury, but recipients may modify this as appropriate for their jurisdiction.**

Helpful Resources

- Treasury Resources:
  - Treasury's ARPA Main Website
  - Request Funding
  - Interim Final Rule
  - FAQs (July 19, 2021)
  - Non-entitlement Unit of Government Information
  - Compliance and Reporting Guidance – including performance report template
- GFOA Resources:
  - Coronavirus Response Resource Center
  - Analysis of the American Rescue Plan
  - **ARPA Revenue Replacement Calculator**
  - CSLFRF Guidance Frequently Asked Questions
  - GFOA Guiding Principles

Thank you!