ARPA FISCAL RECOVERY FUND

APRIL 30 PROJECT & EXPENDITURE REPORT

APRIL 19, 2023

ARPA UPDATE: AMENDMENT TO CLAW BACK FUNDS

- Senate is voting on S. 870, the Fire Grants and Safety Act – *NACo is supportive of this bill as originally written*

- Yesterday, Sen. Rick Scott offered an amendment that would require the U.S. Treasury Secretary to identify and transfer unobligated funds from the American Rescue Plan Act's (ARPA) Coronavirus State and Local Fiscal Recovery Fund (SLFRF) to the administrator of the Federal Emergency Management Agency (FEMA)

- In sum, this amendment – Amendment 81 – would attempt to claw back "unobligated" state and local funding provided under ARPA

- Vote is likely to take place later today or early tomorrow morning

- ACTION NEEDED: Reach out to your Senators immediately and urge a NO vote on Scott Amendment (Amendment 81)

Scan the QR code to contact your Senators

ARPA UPDATE: CORNYN/PADILLA AMENDMENT

- The FY 2023 omnibus appropriations packet included the bipartisan State, Local, Tribal and Territorial Fiscal Recovery, Infrastructure and Disaster Relief Flexibility Act. Key highlights include:

  - Permits counties to invest the greater of $10 million or 30 percent of their total ARPA SLFRF allocation in infrastructure-related and Community Development Block Grant projects

  - Permit counties to invest funds to provide relief from natural disasters or the negative economic impacts of natural disasters

  - KEY CHANGE: SLFRF dollars used under this provision still need to be obligated by December 31, 2024, BUT now expended by September 30, 2026 – *only applies to infrastructure-related projects*

  - Treasury Interim Final Rule not yet released – expected late April

REPORTING REQUIREMENTS UPDATES & RESOURCES

- **All counties MUST submit a Project and Expenditure (P&E) Report by April 30, 2023**

- Treasury has provided reminders to recipients to ensure the P&E report submission runs smoothly:

  1. **Adding new contacts:** If a new individual needs access to the portal from your jurisdiction, Treasury will provide your county with a unique code to login to https://portal.treasury.gov/compliance to register

  2. **Updating roles:** If your county needs to update POC or other roles, review Accessing Treasury's Portal section of the reporting website

     - Account Administrator – *can update roles as needed*

     - Point of Contact

     - Authorized Representative

  3. **Confirm contact information:** Counties should confirm that the contact information in the portal is correct for authorized representative and point of contact

STATE AND LOCAL FISCAL RECOVERY FUND

Reporting Requirements Updates & Resources

1. **Unique Entity ID Requirements for Subrecipients and Contractors:** All subrecipients and contractors are required to have a Unique Entity ID (UEI) and have that number included as part of the reporting process (otherwise the report will return as an error). <u>This was previously not explicitly required, but strongly urged by Treasury:</u>

   - For the April P&E Report, if a pre-existing subrecipient or contractor record does not have a UEI, the system will simply flag it as a warning but not prevent them from submission of the entire P&E report
   - However, <u>ANY NEW</u> subrecipient or contractor records will be required to have their UEIs provided and they cannot create those entities without one
   - Treasury has stated they **DO NOT KNOW** how long they will be able to keep this flexibility available after April 2023 – subrecipients and contractors should obtain a UEI ASAP

2. **NEW: Subaward/Direct Payments Entity Type:** All Subawards/Direct Payments records will be required to have an "entity type" selected before a subaward can be created. This field will capture whether the entity receiving the award or payment is a Subrecipient, Contractor, or Beneficiary.
   - If a county attempts to create a new subaward for a subrecipient without a populated entity type field will result in an error

DECODING *THE LANGUAGE* OF THE FINAL RULE

Subrecipient vs. Beneficiary

The distinction between a ***subrecipient vs. beneficiary*** is contingent upon *the reason why a county is providing funds* to the individual or entity.

REPORTING REQUIREMENTS

- Subrecipients: All subrecipients **ARE** required to comply with all requirements of recipients (I.e. counties) including complying with the eligible uses, procurement and reporting requirements of Recovery Funds as outlined by Treasury and federal Uniform Guidance
    - Subrecipients **ARE** required to have an active SAM.gov registration and Unique Entity Identity (UEI) number OR Taxpayer Identification Number (TIN), if unable to obtain a UEI
    - Counties are required to report detailed information for subrecipients that receive subawards of $50,000 or more in P&E Report

- Beneficiary: A beneficiary **IS NOT** subject to subrecipient monitoring and reporting requirements
    - Beneficiaries **ARE NOT** required to register in SAM.gov and are not required to provide a UEI
    - Counties are required to report certain beneficiaries that receive direct payments of $50,00 or more in funds in P&E Report – *excludes payments to specific individuals, which will be reported in the "Payments to Individuals" section*

DECODING *THE LANGUAGE* OF THE FINAL RULE
Subrecipient vs. Beneficiary

DEFINITION

- **Subrecipient:** An entity that receives funding (I.e. subaward) to carry out a project on behalf of the prime recipient (I.e. county)

    - **Example:** If a county is providing funds to the individual or entity for the purpose of carrying out an SLFRF-funded program or project **on behalf of the county, the individual/entity is acting as a subrecipient**

    - **Example:** A county passes through ARPA Recovery Funds to a nonprofit for small business grants, and the nonprofit is required to comply with Treasury guidance AND develops own application

- **Beneficiary:** An individual/entity that experienced a public health or negative impact as a result of the pandemic and received funding from the county to address that impact

    - **Example:** If a county is providing funds to a household, small business, nonprofit or impacted industry that **experienced a direct negative economic impact, that individual/entity is acting as a beneficiary**

    - **Example:** An individual in a household experienced a job loss during the pandemic and lowered the income threshold for the household, so the county provided a direct payment that is proportional to the negative economic impact

The distinction between a subrecipient and beneficiary is contingent upon the reason why a county is providing funds to the individual or entity

STRUCTURE OF P&E REPORT

1. Introduction/bulk templates
2. Recipient profile
3. Project overview
   - Name, ID number, adopted budget, total obligations/expenditures, status of project and project description
4. Subrecipients/beneficiaries/contractors
   - A subrecipient must be created before entering subaward information for payments greater than $50,000
5. Subawards/direct payments
   - Identify project and subrecipient associated with subaward
   - Subaward type
   - Amount, period of performance, location of performance, description
6. Expenditures
   - Equal to or above $50,000
   - Less than $50,000
   - Payments to individuals
7. Recipient specific

REMINDER: GOVERNMENT SERVICES (EC 6.1) – RECIPIENTS DO NOT HAVE TO ENTER IN SUBRECIPIENT OR SUBAWARD INFORMATION

STRUCTURE OF THE P&E REPORT
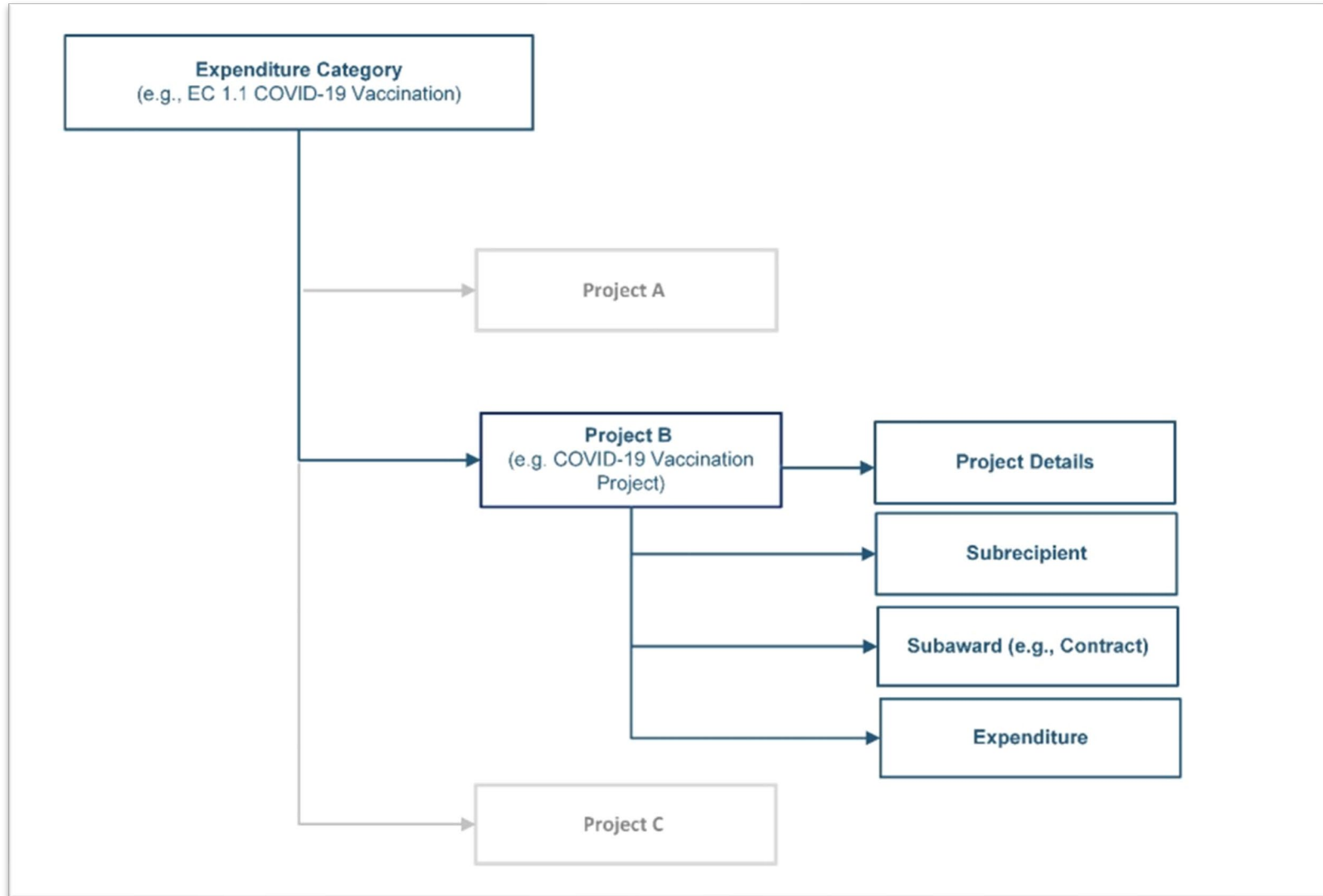
KEY CONCEPTS OF P&E REPORT

1. **Expenditure Categories:** 83 different expenditure categories to choose from included in Treasury's reporting and compliance document

2. **Projects:** Include new or existing services, funded in whole or in past by Recovery Funds
   - Must align with ONE expenditure category
   - Recipient is required to track obligations and expenditures, and subrecipients and subawards

3. **Relationships between project components:**
   - Specifying the Expenditure Category (EC)
   - Enter subrecipient/beneficiary/contractor information (UEI, TIN or DUNSs)
   - Subaward or direct payment information
   - Expenditures:
     - Greater than $50,000
     - Aggregate expenditures less than $50,000
     - Payments to individuals

REVENUE REPLACEMENT

- Counties have the option to update or provide new information associated with revenue replacement

- Information (if provided) as part of the previous P&E Report will display on the screen

- Counties were originally required to make a one-time to either calculate revenue loss with the Treasury formula OR election the $10 million standard allowance

- Treasury extended this portion of the reporting portal open for recipients THROUGH APRIL 30, 2023

- Once your county chooses either the $10 million standard allowance OR formula, it CAN NOT BE CHANGED

RECIPIENTS ARE REQUIRED TO MAKE A ONE-TIME DECISION FOR REVENUE REPLACEMENT IN THE APRIL 2023 P&E REPORT

P&E REPORT: KEY TERMS

- **Obligation:** An order placed for property and services contracts and subawards made, and similar transactions that require payment

- **Expenditure:** The amount that has been incurred as a liability of the entity – the service has been completed or the good has been delivered to the county

- **Adopted budget:** Budget adopted for each project by a recipient associated with ARPA funds
  - *Counties will enter the adopted budget based on information that exists currently in the recipient's financial system and their established budget process (flexibility on what "adopted budget" means) – applies to counties with populations above 250,000 residents*

- **Subaward:** An award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity

- **Contract:** A legal instrument by which a recipient or subrecipient purchases property or services needed to carry out the project or program under a Federal award

P&E REPORT: FREQUENTLY ASKED QUESTIONS

- Is there any possibility of extension for the reporting deadlines for individual recipients? Is there a penalty for not submitting a report on time?

  - Generally, no. The data submitted by recipients will be used internally for oversight purposes and to fulfill Treasury's transparency and legal obligations. Recipient submissions after the reporting deadline will be considered as late, and recipients will be asked to provide a date by which the delayed reporting will be submitted so that Treasury can plan for incorporating the data. Treasury's own reporting may highlight those recipients whose reports were not received by the deadline. **A record of late reporting could lead to a finding of non-compliance, which could result in the development of a corrective action plan, or other consequences.**

P&E REPORT: FREQUENTLY ASKED QUESTIONS

- If my county has claimed the $10 million standard revenue loss allowance, do I still need to complete future P&E Reports?

    - Yes. The county must continue reporting until 2027. To report, follow these steps:
        - Select option "No New Projects"
        - Roll over your county's total obligations and expenditures
        - Enter in $0.00 for "Current Period Obligation" and "Current Period Expenditures" fields

P&E REPORT: FREQUENTLY ASKED QUESTIONS

- Can records be edited or updated after submission? How do I report changes?

  - Recipients will have an opportunity to reopen and provide edits to their submitted Project and Expenditure Reports anytime before the reporting deadline. Recipients will then be required to re-certify and submit the report again to properly reflect any edits made. After the reporting deadline, unless prompted by Treasury staff, recipients will not be able to edit their submitted report. Any changes or revisions will need to be reflected in the next Project and Expenditure report. See Section V of this User Guide for instructions on how to do that.

P&E REPORT: FREQUENTLY ASKED QUESTIONS

MANUAL ENTRY: Updating/Editing Existing P&E Reports

1. Click on the icon for the project under the "Project Status" column
2. Update the "Edit Project" window – this can be either to update funding allocations OR delete A PROJECT
3. If deleting – click the "Delete Project" button
   - This will delete any subawards and/or expenditure records
4. If deleting – Counties will NOT be able to delete projects as part of prior reports. Follow steps below:
   - Select "Cancelled" in Status Completion field
   - Change Total Cumulative Obligations and Total Cumulative Expenditures to $0.00
   - Make corresponding edits to Subawards by editing "Subaward Amount" to equal $0.00
   - Create offsetting entries for Expenditures or Aggregate Obligations/Expenditures so that balance of expenditures equals $0.00

P&E REPORT: FREQUENTLY ASKED QUESTIONS

MANUAL ENTRY: Updating/Editing Existing P&E Reports

How to change subawards.

P&E REPORT: FREQUENTLY ASKED QUESTIONS

MANUAL ENTRY: Updating/Editing Existing P&E Reports

How to change expenditures. NOTE: You cannot delete expenditures. They can only be updated.

P&E REPORT: FREQUENTLY ASKED QUESTIONS

- If my county has not yet identified any project to report, how do we complete the P&E Report?

  - In the event that your county does not have any to report, an option has been included on the Project Overview screen to allow recipients to indicate this status to Treasury in lieu of adding project.

  - If you select this option, you will be required to provide a written explanation. This option will not appear if projects are already entered in the system.

No Projects Verification

*Does your jurisdiction have projects to report as of this reporting period?

My jurisdiction does NOT have projects to report

Complete this field.

*Provide a narrative describing the reason(s) your jurisdiction does not have approved projects at this time

Save

1. *For the question "Does your jurisdiction have projects to report as of this reporting period?", select "My jurisdiction has projects to report" or "My jurisdiction does NOT have projects to report".*

2. *If no projects will be reported, provide a narrative describing the reason(s) your jurisdiction does not have approved projects at this time.*

Simplified reporting for Tier 5 recipients

Tier	Recipient	Interim Report	Project and Expenditure Report	Recovery Plan Performance Report
1	States, U.S. territories, and metropolitan cities and counties with a population that exceeds 250,000 residents	By August 31, 2021, or 60 days after receiving funding if funding was received by October 15, with expenditures by category. *Note: NEUs were not required to submit an Interim Report*	By January 31, 2022, and then the last day of the month after the end of each quarter thereafter *Note: NEUs were not required to submit a Project and Expenditure Report on January 31, 2022. The first reporting date for NEUs was April 30, 2022.*	By August 31, 2021, or 60 days after receiving funding, and annually thereafter by July 31
2	Metropolitan cities and counties with a population below 250,000 residents that are allocated more than $10 million in SLFRF funding, and NEUs that are allocated more than $10 million in SLFRF funding			
3	Tribal Governments that are allocated more than $30 million in SLFRF funding			
4	Tribal Governments that are allocated less than $30 million in SLFRF funding		By April 30, 2022, and then annually thereafter	
5	Metropolitan cities and counties with a population below 250,000 residents that are allocated less than $10 million in SLFRF funding, and NEUs that are allocated less than $10 million in SLFRF funding			

QUARTERLY REPORTING

Tier 1: Counties with a population ABOVE 250,000 residents

Tier 2: Counties with a population BELOW 250,000 residents that received more than $10 million in ARPA

Tier 3: Tribal governments that received more than $30 million in ARPA

ANNUAL REPORTING

Tier 4: Tribal governments that received less than $30 million in ARPA

Tier 5: Counties with populations BELOW 250,000 that received LESS than $10 million in ARPA – *SIMPLIFIED REPORTING PROCESS*

TYPE OF RECIPIENT AND REPORTING REQUIREMENTS

Simplified reporting for Tier 5 recipients
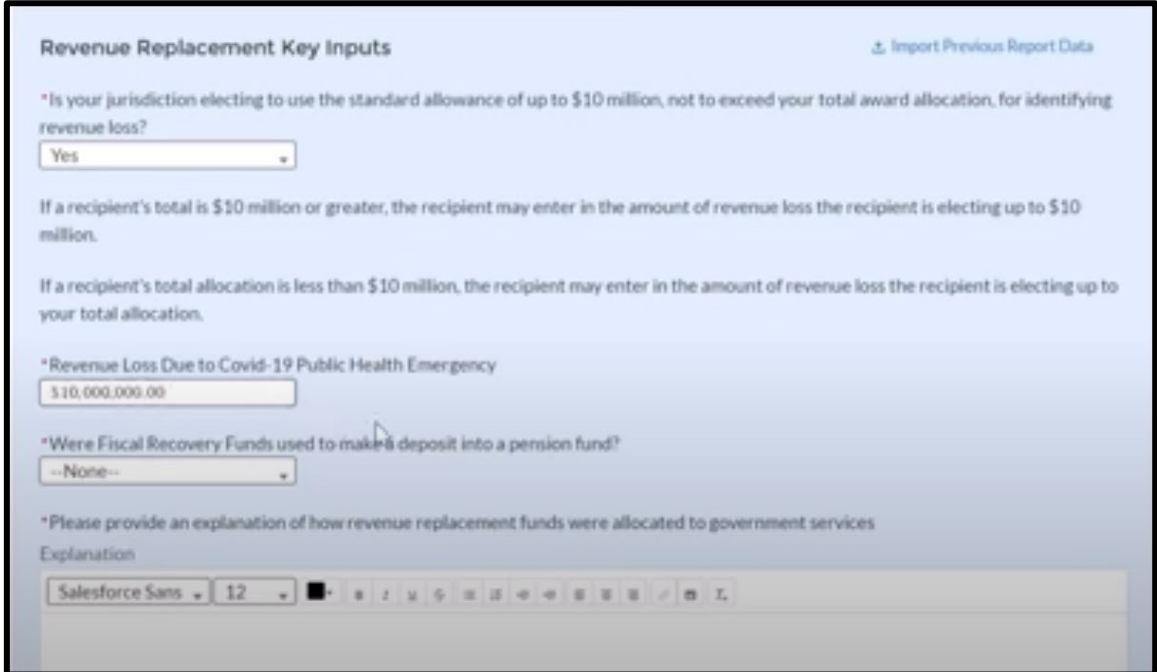
1. Confirm all county information is correct
   - UEI, address, entity name, etc.

2. Indicate if your county is registered in SAM.Gov – Treasury notes that there is a backlog with GSA

3. Confirm your POC contact list and roles are correct

STEPS FOR SUBMISSION FOR UNDER $10 MILLION

If your county received under $10M in ARPA, submission is very easy! Your county only needs to make the following 4 key decisions:

1. **Project Overview page:** Decide whether or not you have a project to report.
   - Provide insight about barriers your county is having (if any).

2. **Project Overview page:** If yes, create 1 project under the 6.1 Revenue Replacement – Provision of Government Services and complete the following fields.

3. **Recipient Specific page:** Select "Yes" to electing the standard allowance on the "Recipient Specific" page and enter your entire ARPA allocation amount in the "Revenue Loss due to COVID-19" field
   - If your county received less than $10 million, SELECT THE STANDARD ALLOWANCE OPTION

4. **Certification Page:** Certify and submit

BEST PRACTICES FOR P&E REPORT FILING

1. **Designate your key roles:**
   - Account Administrator
   - Point of Contac for Reporting
   - Authorized Representative for Reporting (only individual who can certify and submit)

2. **Work with Treasury if you run into any issues:** NACo was able to secured new funding for Treasury's Office of Recovery Programs to provide technical assistance. Contact Treasury's Help Desk at SLFRF@treasury.gov of call 844.529.9527

3. **File early:** Filing early will help mitigate any issues you may run into and work with Treasury's Help Desk

4. **Work with NACo and your state associations:** NACo has been working with counties over the last two-years to address concerns regarding the ARPA Recovery Fund. Your state association also are a great resource if you have questions

ARPA FISCAL RECOVERY FUND

APRIL 30 PROJECT & EXPENDITURE REPORT

APRIL 19, 2023