



ARPA FISCAL RECOVERY FUND

NAVIGATING PROJECT & EXPENDITURE REPORTING

Mark Ritacco, Chief Government Affairs Officer

August 2023



THE LOWCOUNTRY'S
NEWS LEADER

Live News Live 5 Investigates Weather Traffic Sports Lowcountry Weekend Podcasts About Us Send Pics



First possible S.C. novel coronavirus cases detected in Charleston, Kershaw Counties

March, 2020

Gov. McMaster to hold news briefing at 10 a.m. Saturday

SCISA postpones spring sports in S.C. amid coronavirus concerns



The State

Part of the McClatchy Media Network

News Politics Sports Go Gamecocks Personal Finance Obituaries Shopping

SOUTH CAROLINA

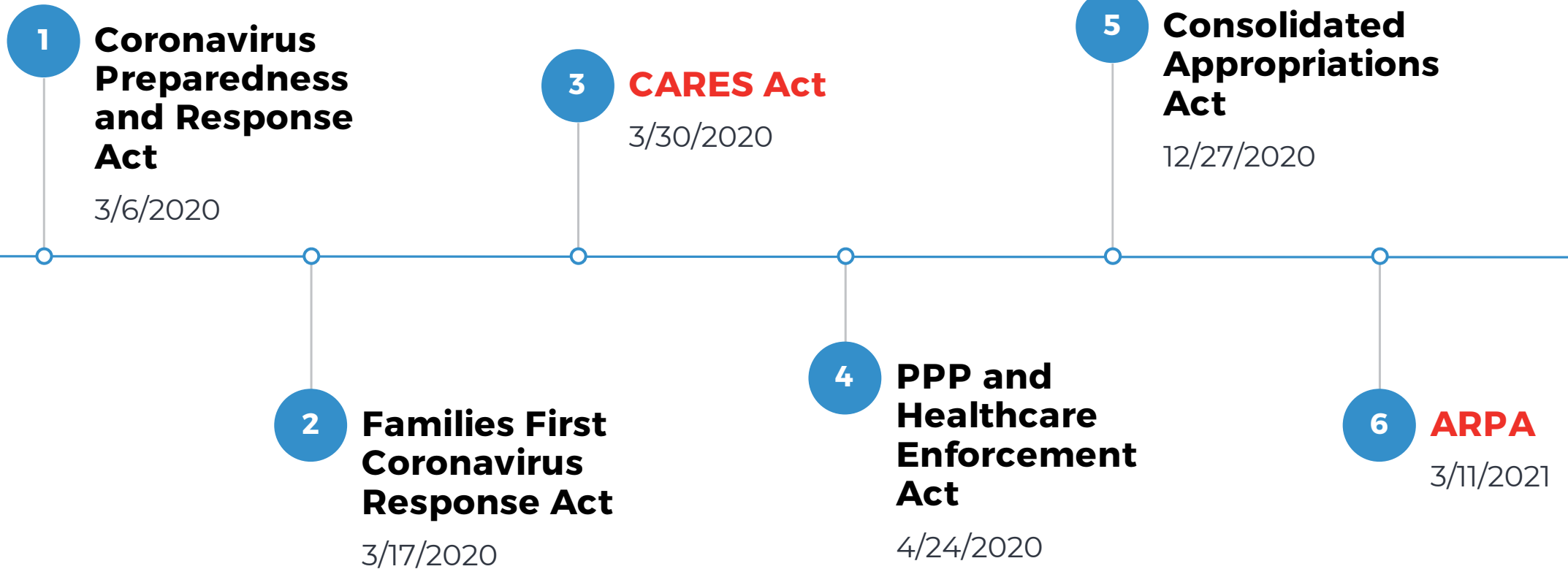
First potential coronavirus cases under investigation in South Carolina

BY NOAH FEIT, LUCAS DAPRILE, AND SAMMY FRETWELL

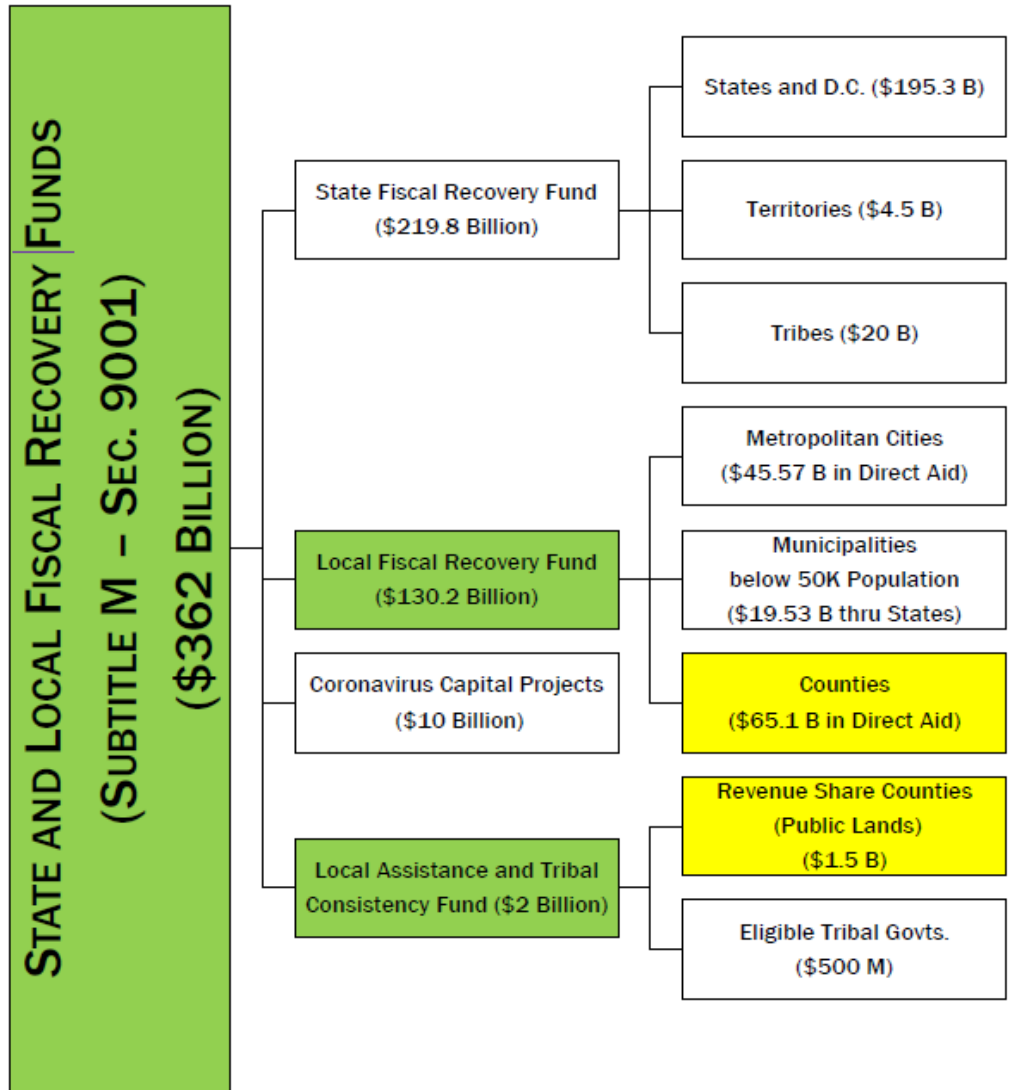
UPDATED MARCH 09, 2020 8:54 AM



Timeline of COVID Relief Bills



State and Local Fiscal Recovery Funds (SEC. 9001)



Summary of NACo's Comments to Treasury on July 16, 2021

America's counties have the following recommendations related to each of the categories contained in the U.S. Treasury's IFR:

- Provide additional flexibility for Recovery Funds to ensure our nation's preparedness and responsiveness continues.
- Provide further clarity on eligible uses of Recovery Funds to ensure counties comply with the U.S. Treasury's goals and the intentions of the IFR.
- Incorporate additional eligible uses of Recovery Funds that will help support local and national recovery.

TOP 10 HIGHLIGHTS OF RECOVERY FUND FINAL RULE



1. Final Rule went into effect on April 1, 2022
2. Allows counties to use up to \$10 million standard allowance, or an enhanced 5.2% growth factor under Treasury's formula, as *revenue loss* for the provision of general government services
3. Clarifies eligible use of funds for capital expenditures and requires written justification for projects above \$1M cost
4. Presumes certain populations were "impacted" and "disproportionately impacted" by the pandemic and therefore are eligible to receive a broad range of services and support – *designed to minimize administrative burden*
5. Streamlines options for premium pay by broadening the share of eligible workers who can receive premium pay
6. Authorizes re-hiring of local government staff, either at or above pre-pandemic levels
7. Allows Recovery Funds to be used for modernization of cybersecurity, including hardware and software, and expands broadband infrastructure invests
8. Broadens water and sewer projects to include storm water, culvert repair, dam and reservoir rehabilitation
9. Recovery Funds may be deposited into interest-bearing accounts, with earned interest allowed for general county use
10. Recovery Funds shall comply with federal "Uniform Guidance" or 2 CRF Part 200

REPORTING AND COMPLIANCE REQUIREMENTS



- **QUARTERLY PROJECT AND EXPENDITURE REPORTS:** The following recipients were required to submit a quarterly Project and Expenditure Report to Treasury by July 31, 2023:
 - Recipients with populations that **exceed 250,000 residents** (referred to as a Tier 1 recipient)
 - Recipients with a population **below 250,000 residents yet received more than \$10 million** in Recovery Funds (referred to as a Tier 2 recipient)
- **ANNUAL PROJECT AND EXPENDITURE REPORTS:** The following recipients are required to submit an annual Project and Expenditure Report to Treasury by April 30 of each year through 2027:
 - Recipients with **populations below 250,000 residents and received less than \$10 million** in Recovery Funds only need to submit this report annually after the first reporting deadline in April, 2022
- **RECOVERY PERFORMANCE PLAN:** All recipients with a population that exceeds 250,000 residents are also required to publish and submit an annual Recovery Plan performance report throughout the entire period of performance

FUNDAMENTALS OF *REVENUE LOSS* ALLOWANCE

Counties may use *revenue loss* for general government services up to the *revenue loss* amount, whether using the standard allowance or the amount calculated using Treasury’s formula for each eligible year:

- Government services generally include **any service traditionally provided by a government**, unless Treasury has stated otherwise.

Common examples include, but are not limited to:

- Construction of schools and hospital
- Road building and maintenance, and other infrastructure
- Health services
- General government administration, staff and administrative facilities
- Environmental remediation
- Police, first responders and other public safety services (including purchase of fire trucks, police vehicles and other equipment)
- Other general government services (non-federal match for certain programs)

RECOVERY FUNDS USED TO REPLACE “REVENUE LOSS” ARE MORE FLEXIBLE AND MAY BE USED FOR A BROAD RANGE OF GOVERNMENT SERVICES, PROGRAMS AND PROJECTS OUTSIDE OF TYPICAL ELIGIBLE USES OF RECOVERY FUNDS UNDER THE FINAL RULE. HOWEVER, REVENUE RECOUPMENT SHALL NOT BE USED FOR RAINY DAY FUNDS, DEBT SERVICES, AND EXTRAORDINARY PENSION CONTRIBUTIONS

REVENUE REPLACEMENT REPORTING

- Recipients had the option to make a one-time decision to either calculate revenue loss with the Treasury formula OR election the \$10 million standard allowance, not to exceed the award allocation
- Recipients were required to make this one-time decision during the April 2022 reporting deadline – **There are no exceptions to this requirement and you cannot change your selection**
- Counties that opted to use the standard allowance have streamlined reporting requirements under the government services expenditure category (E.C. - 6.1)

**RECIPIENTS
WERE
REQUIRED TO
MAKE A ONE-
TIME DECISION
FOR REVENUE
REPLACEMENT
IN THE APRIL
2022 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 part 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

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

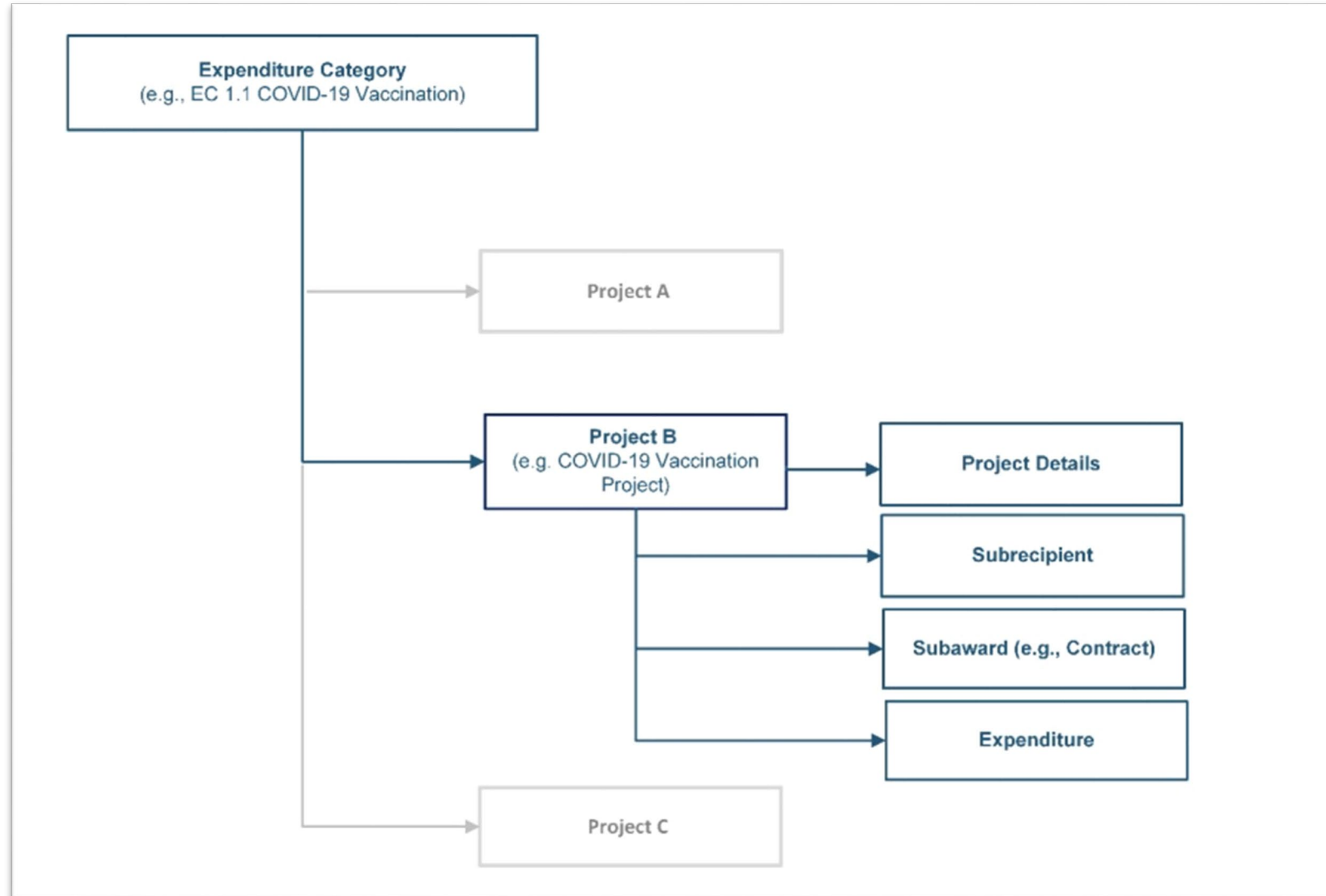
5. Subawards/direct payments

- Identify project and subrecipient associated with subaward
- Subaward type
- Amount, period of performance, location of performance, description

6. Expenditures

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

STRUCTURE OF THE P&E REPORT



P&E REPORT: FREQUENTLY ASKED QUESTIONS



- **When I complete and try to submit my P&E Report, it says I am not the Authorized Representative. What do I do?**
 - Review Treasury's video of assigning user roles: <https://youtu.be/w7vbi94rVDIIf>
 - If the issue persists, send an email to SLFRP@treasury.gov and COVIDReliefITsupport@treasury.gov

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

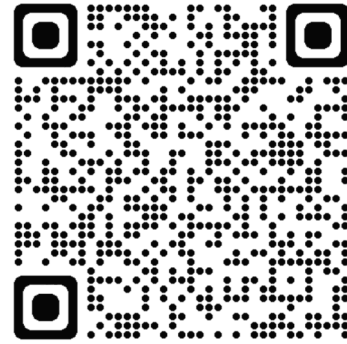
Save

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.

NACo RESOURCES: AMERICAN RESCUE PLAN ACT

COVID-19 RECOVERY CLEARINGHOUSE

In a major victory for America's counties, the State and Local Coronavirus Fiscal Recovery Funds legislation, part of the American Rescue Plan Act, was signed into law by President Biden on March 11. The legislation includes \$65.1 billion in direct, flexible aid to every county in America, as well as other crucial investments in local communities.



How Can We Help?

Use the form below to ask a question, and NACo staff will respond via email. Please also explore our curated resources, including guidance, FAQs and more:

- Latest Resources
- NACo Recovery Fund FAQs
- Your County's ARP Allocation
- NACo ARPA Analysis

ASK A QUESTION

Share Your Story

How is your county responding to the coronavirus pandemic and driving the recovery in your community. Use the form below to share how your county is using federal relief funds with NACo.

For resources to share your story with local media [click here](#).

SHARE YOUR STORY

Overview of U.S. Treasury's Final Rule for ARPA Fiscal Recovery Fund

Explore NACo's overview of U.S. Treasury's Final Rule for the State and Local Coronavirus Fiscal Recovery Fund.

ACCESS ANALYSIS

State & Local Fiscal Recovery Funds

Find Treasury guidance, FAQs, NACo's analysis and more

LEARN MORE

Untold Stories

Join us in highlighting how counties are making incredible differences in the lives of our residents through the American Rescue Plan Act

LEARN MORE

Local Government ARPA Investment Tracker

The Local Government ARPA Investment Tracker, powered by NACo, Brookings Metro and National League of Cities provides a detailed local investment picture of American Rescue Plan Act funding

ACCESS TRACKER

[COVID-19 Recovery Clearinghouse \(naco.org\)](https://naco.org)



ARPA FISCAL RECOVERY FUND NAVIGATING PROJECT & EXPENDITURE REPORTING

Mark Ritacco

Chief Government Affairs Officer, NACo

mritacco@naco.org

August 2023