



SOUTH CAROLINA ASSOCIATION OF COUNTIES

August 20, 2021

To: SCAC Board of Directors
County Council
Chief Administrative Officers
Deputy/Assistant Chief Administrative Officers
Finance Officers
Human Resource Directors
Treasurers
County Attorneys
Clerks to Council

From: SCAC Staff

Re: **ARPA Alert: Interim Report – *Revenue Loss Calculation Reporting Requirement***

Treasury answered a question from NACo today regarding a requirement to calculate lost revenue and report it in the Interim Report due on August 31, 2021. **Treasury is requiring counties to calculate revenue loss and report that calculation in their Interim Report due on August 31, 2021. This is in conflict to what was previously interpreted under the Reporting and Compliance Guidance.**

Please note that this is only in reference to the calculation portion in the portal and not to be confused with the obligations/expenditures portion, as here you will still, “submit a report showing no (\$0) obligations or expenditures have yet been incurred” if you have received funding as of July 15, 2021 but have not incurred obligations or expenditures as of the end of the reporting period.” (User Guide FAQ 1.1).

SCAC is working with NACo and other state organizations on getting the U.S. Treasury Department to release an official statement to all recipients in order to provide additional guidance. In the meantime, NACo urges all counties to use the GFOA revenue loss calculator to assist with their revenue loss calculations: <https://www.naco.org/resources/featured/understanding-eligible-expenses-fiscal-recovery-fund-what-counties-need-know-about-revenue>

Please see the information below for the latest guidance from the U.S. Treasury Department regarding the **requirement to report Revenue Loss data in the Interim Report that is due by August 31, 2021:**

NACo’s Question: We have received a question from a few of our members regarding lost revenue and the interim report. If a county has not yet performed the counterfactual revenue calculation, should they report “zero” as the calculation for 12/31/20? Counties are nervous that if they report our zero and the date noted, that they won’t be able to calculate the figure in the future and replace the zero for the same date.

Treasury’s Answer: Even if a recipient leaves Step 2 Category 6.1 (Revenue Loss) blank, **they still need calculate revenue loss and complete Step 3.** The expenditures/obligations a Recipient has incurred under category 6.1 (Revenue Loss) should be treated distinctly from the overall revenue replacement figure as of December 31, 2020, that is being identified in Step 3. Similarly, if the Recipient had no revenue loss during that period, they should reflect that in Step 3.

We will pass along any additional information as soon as it become available. Please reach out to John Wienges with SCAC staff if you have any questions about how to complete this requirement. He can be reached at (803) 664-0774.

