



**Government Finance
Officers Association**

ARPA FISCAL RECOVERY FUND

NAVIGATING THE ARPA RECOVERY FUND AND UNIFORM GUIDANCE

APRIL 14, 2022

OVERVIEW



1. Reporting and compliance deadlines

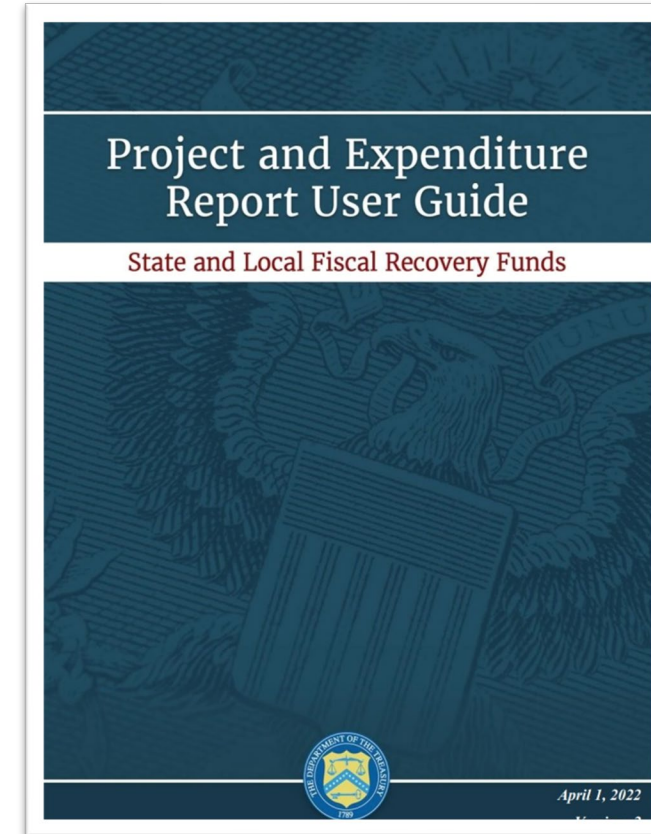
- Overview of the P&E Report
- Structure
- Key concepts
- Key consideration of P&E Report

2. Revenue replacement

3. Uniform Guidance & the ARPA Recovery Fund

- What is Uniform Guidance?
- Does Uniform Guidance apply to SLFRF?
- How exactly does it apply to SLFRF?
- Why do I have to pay attention to Uniform Guidance?

4. Helpful resources



REPORTING AND COMPLIANCE REQUIREMENTS



- **QUARTERLY PROJECT AND EXPENDITURE REPORTS:** The following recipients are required to submit a quarterly Project and Expenditure Report to Treasury by April 30, 2022:
 - 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, 2022:
 - 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

REPORTING AND COMPLIANCE REQUIREMENTS

Compliance and Reporting Guidance
State and Local Fiscal Recovery Funds

Tier	Recipient	Interim Report	Project and Expenditure Report	Recovery Plan Performance Report
1	States, U.S. territories, 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.	By January 31, 2022, and then 30 days after the end of each quarter thereafter <i>Note: NEUs were not required to submit a Project and Expenditure Report on January 31, 2022. The first reporting date for NEUs will be April 30, 2022.</i>	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.	<i>Note: NEUs were not required to submit an Interim Report</i>		
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.			

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

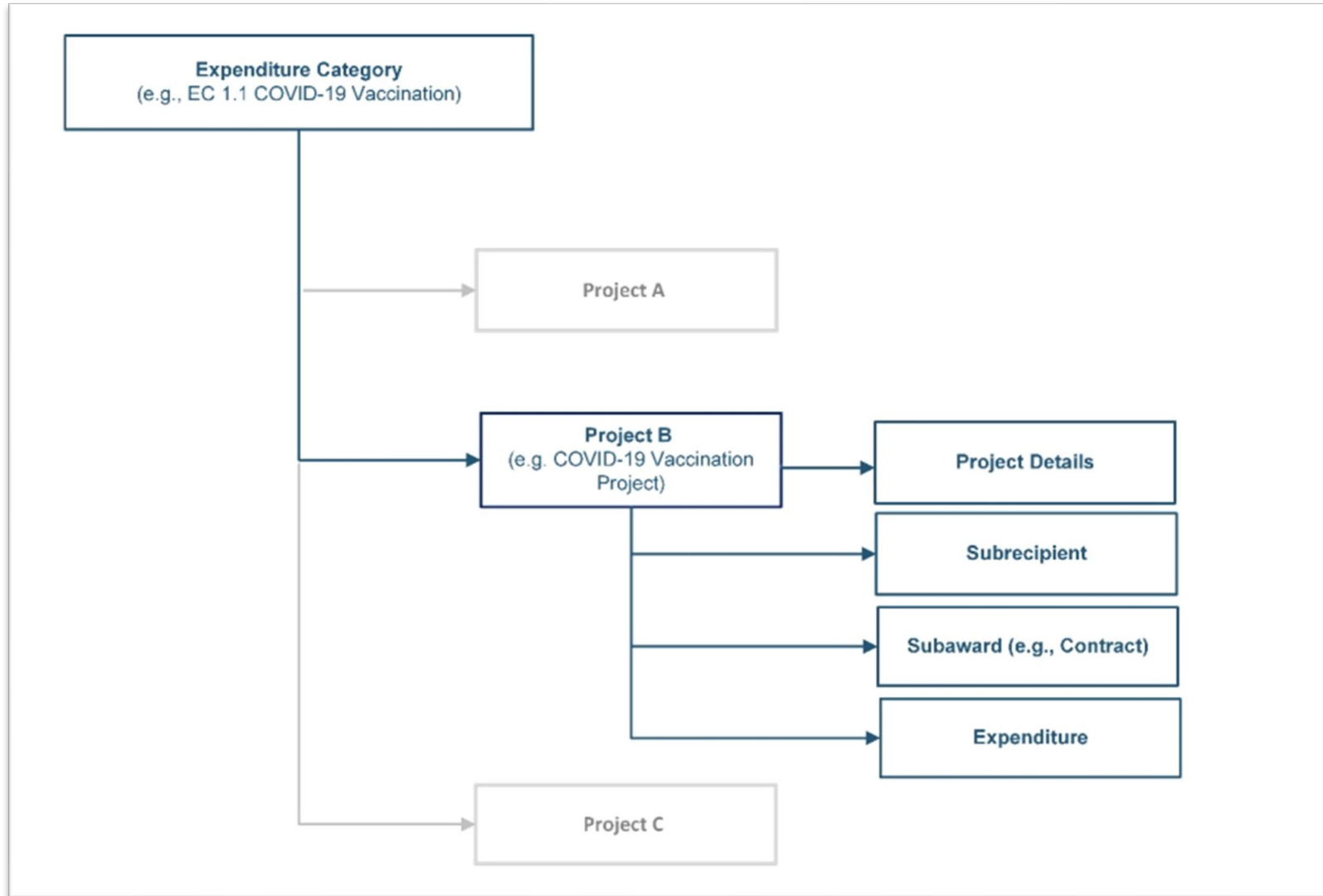
- Identify project and subrecipient associated with subaward
- Subaward type
- Amount, period of performance, location of performance, description

6. Expenditures

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 CONSIDERATIONS FOR P&E REPORT



- **No projects available option:** If your county has not yet identified any projects, there is an option for you to select
 - Written explanation required
 - Treasury encourages recipients to be investing Recovery Funds
- **Non-infrastructure and infrastructure projects programmatic data:** Programmatic data or impact measures is required for project in non-infrastructure categories (EC 1-3) and infrastructure projects (EC 5)
- **Infrastructure projects over \$10M:** Projects above \$10M must be entered manually (refer to Appendix D of P&E User Guide)
 - Davis Bacon Act information included

**PROJECTS
OVER \$10
MILLION MUST
BE ENTERED
MANUALLY
AND REQUIRE
ADDITIONAL
INFORMATION**

REVENUE REPLACEMENT



- Recipients have the option to update or provide new information associated with revenue replacement
- Previous information (if provided) as part of the Interim Report or P&E Report (if provided) will display on the screen
- Recipient will have 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 must make this one-time decision during the April 2022 reporting deadline – There are not exceptions to this requirement**

**RECIPIENTS ARE
REQUIRED TO
MAKE A ONE-
TIME DECISION
FOR REVENUE
REPLACEMENT IN
THE APRIL 2022
P&E REPORT**

ROADMAP OF UNIFORM GUIDANCE



1. What is Uniform Guidance?
2. Does Uniform Guidance apply to SLFRF?
3. How exactly does it apply to SLFRF?
4. Why do I have to pay attention to Uniform Guidance?
5. Are there resources to learn more?

1. WHAT IS UNIFORM GUIDANCE?



- Uniform Guidance can be called three different things:
 1. Uniform Grant Guidance (UGG)
 2. Uniform Guidance (UG)
 3. 2 CFR 200 (location in the Code of Federal Regulations)
- *The UGG provides a government-wide framework for grants management that reduces administrative burden for non-federal entities receiving federal awards while reducing the risk of waste, fraud and abuse.*

UG PRINCIPLES AND REQUIREMENTS



1. Administrative Requirements for Grants and Cooperative Agreements
2. Cost Principles for Determining Allowable Costs
3. Audit Requirements for Obtaining Consistency and Uniformity Among Federal Agencies
4. Agency Implementation

UG IN PRACTICE AND PROCUREMENT



- Purchasing and Procurement in all circumstances (2 CFR 200.319):
 - Property or services must be conducted in a manner providing full and open competition, consistent with standards outlined in 2 CFR 200.320, **which allows for non-competitive procurements only in circumstances where at least one of the conditions below is true:**
 - Item is below the micro-purchase threshold;
 - Item is only available from a single source;
 - The public exigency or emergency will not permit a delay from publicizing a competitive solicitation;
 - After solicitation of a number of sources, competition is determined inadequate.

UG IN PRACTICE AND SUBAWARDS/SUBRECIPIENTS

- All pass-through entities in all circumstances (2 CFR 200.1) are required to manage and monitor their subrecipients to ensure compliance with requirements of the federal award pursuant to 2 CFR 200.332 regarding requirements for pass-through entities



**ALL PASS-
THROUGH ENTITIES
IN ALL
CIRCUMSTANCES
(2 CFR 200.1) ARE
REQUIRED TO
MANAGE AND
MONITOR THEIR
SUBRECIPIENTS**

UG IN PRACTICE AND SINGLE AUDIT



- **Internal Controls (2 CFR Part 200.303)**

- Your organization must develop and implement effective internal controls to ensure that funding decisions under the federal award constitute eligible uses of funds, and document determinations

- **Single Audit (the Single Audit Act and 2CFR Part 200, Subpart F)**

- The Uniform Guidance requires non-Federal entities that expend \$750,000 or more a year in Federal awards to have an audit conducted in accordance with the Uniform Guidance.
- **Talk with your auditor early** – Schedule of Expenditures of Federal Award – reporting requirements and how to report those expenditures

#2: DOES UG APPLY TO SLFRF?

- **YES!** (Pg. 2 of Compliance and Reporting Guidance)
- Treasury’s Compliance and Reporting Guidance:
 - *“All reporting responsibilities under the SLFRF program should be read in concert with the Award Terms and Conditions, the authorizing statute, the final rule, and other regulatory and statutory requirements, **including regulatory requirements under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance” or 2 CFR Part 200), and the Compliance Supplement.**”*



**ALL SLFRF
SPENDING IS
GOVERNED BY
UNIFORM
GUIDANCE UNLESS
OTHERWISE NOTED
BY TREASURY**

DOES UG APPLY TO GOVERNMENT SERVICES?

- **YES!** Unless otherwise noted, UG applies to SLFRF spending, even in government services
- Until we hear otherwise, follow UG Cost Principles when spending on Government Services
- Treasury does not provide guidance on where to put your award (*general fund versus other restricted fund*)
- Pay special attention to the spending from the general fund
- You may want to create a “checklist” for spending or internal controls



**UNIFORM
GUIDANCE
APPLIES TO ALL
RECOVERY FUND
SPENDING,
INCLUDING
REVENUE
REPLACEMENT**

#3: HOW DOES UG APPLY TO SLFRF?



- **Allowable Activities:**

- Implement effective internal controls

- **Cost Principles:**

- Implement robust internal controls and effective monitoring
- Non-federal cost share monitoring
- Audit costs and consultant (administrative) costs
- Treasury NOT cognizant agency for NICRA or de minimus rate of 10 percent
- Salaries and expenses covered

- **Cash Management:**

- Funds not subject to CMIA and can be invested

SLFRF COST PRINCIPLES



- **Eligibility:**
 - Develop and implement policies and procedures for determining eligibility of spending and beneficiaries/subrecipients
- **Equipment and Property Management:**
 - Any purchase has to be used for the originally authorized purpose
- **Period of Performance:**
 - March 3, 2021 through December 31, 2024/26
- **Program Income:**
 - Governed by 2 CFR 200.307: Calculate, document and Record
- **Reporting:**
 - Establish controls in order to ensure completion and timely submission

SLFRF AND PROCUREMENT



- **Procurement and purchasing requirements, as outlined in the UG:**

*“The Uniform Guidance establishes in 2 CFR 200.319 that all procurement transactions for property or services must be conducted in a manner providing **full and open competition**, consistent with standards outlined in 2 CFR 200.320. The Uniform Guidance requires an infrastructure for competitive bidding and contractor oversight, including **maintaining written standards of conduct** and prohibitions on dealing with suspended or debarred parties. Your organization must **ensure adherence** to all applicable local, State, and federal procurement laws and regulations.”*

SLFRF AND SUBRECIPIENT MONITORING



- **Subrecipient Monitoring:**

- **Recipients:** Eligible entities identified in sections 602 and 603 that received a SLFRF award
- **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 Recovery Funds
- 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

SLFRF AND OTHER SUBAWARDS



- **Subawards**

- Specific information is required for each subaward greater than or equal to \$50,000
 - Contract, Grant, Loan, Transfer, or Direct Payment
- 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

SLFRF AND OTHER SUBAWARDS



- The Uniform Guidance requires non-Federal entities that expend \$750,000 or more a year in Federal awards to have an audit conducted in accordance with the Uniform Guidance.
- Talk with your auditor early about SEFA reporting requirements and how to report those expenditures
- **Alternative now available for select direct recipients**

**THERE IS NOW AN
ALTERNATIVE
AVAILABLE FOR
SINGLE AUDIT ACT
REQUIREMENTS
FOR SELECT
RECIPIENTS**

SINGLE AUDIT ALTERNATIVE



1. If you are eligible, you should discuss this with your Auditor
2. This is an addendum to the 2021 Single Audit (SA) Compliance Supplement and the revision is Addendum 3
3. Addendum 3 includes a simplified Single Audit process (an “Attestation”) for direct recipients that are considered exempt from the Single Audit if it was not for the expenditures of SLFRF funds
4. This alternative is intended to reduce the burden of a full Single Audit or Program-Specific Audit on eligible recipients and practitioners
5. This alternative applies to fiscal year audits beginning after June 30, 2020
6. Attestation would result in an auditor’s opinion on compliance which includes an assessment of two activities, specifically “activities allowed” and “unallowed/allowable cost”
7. Attestation is optional
8. Eligibility is limited:
 - Attestation (instead of SA) eligibility would only apply to direct recipients either from Treasury or from the States (NEUs) receiving under \$10M in total
 - Attestation (instead of SA) eligibility would apply to direct recipients only if other Federal award funds the recipient expended are less than \$750,000 during the recipient’s fiscal year – not including their SLFRF award funds
9. Single Audit would still apply if the recipient spends over \$750K in ANY OTHER federal funds
10. UG still applies to ALL expended funds, whether the recipient performs an Attestation or a SA
11. UG requires non-Federal entities that expend \$750,000 or more a year in Federal awards to have an audit conducted in accordance with the Uniform

#4: WHY DO I HAVE TO PAY ATTENTION TO UG?

- Treasury has established Uniform Guidance principles as the authority on spending SLFRF Funds
- Uniform Guidance Principles still apply whether your entity is subject to the Single Audit Act or not
- Any federal award spending subject to Uniform Guidance can be reviewed at any time



**ANY FEDERAL
AWARD
SPENDING
SUBJECT TO
UNIFORM
GUIDANCE CAN
BE REVIEWED AT
ANY TIME**



HELPFUL RESOURCES

- [U.S. Treasury's ARPA Recovery Fund Compliance and Reporting Guidance](#)
- [U.S. Treasury's Project and Expenditure Report User Guide](#)
- [Uniform Grant Guidance](#) (aka 2 CFR Part 200)
- [2021 Single Audit Compliance Supplement](#)
- [Addendum 3](#) – Single Audit Alternative
- [U.S. Treasury step-by-step video walkthrough of reporting portal](#)
- [U.S. Treasury step-by-step video walkthrough on how to report revenue loss/government services \(EC 6.1\)](#)
- [U.S. Treasury step-by-step video walkthrough of how to designate user roles in Treasury portal](#)
- GFOA Resource: [Recommended guiding principles](#)
- GFOA Resource: [GFOA FAQs](#)
- NACo Resource: [Analysis of Treasury's Final Rule](#)
- NACo Resource: [NACo FAQs](#)



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