

DEPARTMENT OF THE TREASURY

ASSISTANCE LISTING 21.023 EMERGENCY RENTAL ASSISTANCE PROGRAM

I. PROGRAM OBJECTIVES

Note: This program is considered a “higher risk” program for 2022, pursuant to 2 CFR section 200.519(c)(2). Refer to the “Programs with Higher Risk Designation” section of Part 8, Appendix IV, Internal Reference Tables, for a discussion of the impact of the “higher risk” designation on the major program determination process.

Two pieces of legislation authorized funding for Emergency Rental Assistance. The authorizations include some different legal requirements. Therefore, this Compliance Supplement addresses the requirements as “ERA 1” and “ERA 2.” ERA1 was authorized by Division N, Title V, Section 501 of the Consolidated Appropriations Act, 2021 (the Act), Pub. L. No. 116-260 (December 27, 2020). ERA 2 was authorized by Title III, Subtitle B, Section 3201 of the American Rescue Plan Act (ARPA), 2021, Pub. L. No. 117-2 (March 11, 2021). Both ERA 1 and ERA 2 funding is defined as “other financial assistance” per 2 CFR Part 200.1 and both ERA 1 and ERA 2 are administered by Treasury as direct payments for specified use.

The purpose of ERA is to provide direct payments to eligible entities to assist eligible households with financial assistance and to provide housing stability services and, in the case of ERA 2 as applicable, to cover the costs for other affordable rental housing and eviction prevention activities. ERA grantees may provide assistance directly to eligible landlords and utility providers on behalf of an eligible household or directly to an eligible household (see section 501(c)(2)(C)(i) of the Consolidated Appropriations Act, 2021 and FAQ 12 for more detail on landlords and utility provider participation in the program). Financial assistance for eligible households may include payment of rent, rental arrears, utilities and home energy costs, utilities and home energy costs arrears, and other expenses related to housing. ERA grantees may also use funds to provide housing stability services as authorized by the respective statutes.

II. PROGRAM PROCEDURES

A. Overview

ERA 1 provided \$25 billion for the US Department of the Treasury (Treasury) to make payments to States (defined to include the District of Columbia), US territories (Puerto Rico, US Virgin Islands, Guam, Northern Mariana Islands, and American Samoa), Indian tribes or their tribally designated housing entities, as applicable, the Department of Hawaiian Home Lands, and certain local governments with more than 200,000 residents. These entities are collectively referred to as “eligible grantees” or “ERA 1 grantees.” ERA 1 award funds may be used to provide financial assistance and housing stability services to eligible households. All ERA 1 grantees that submitted the requested documentation to Treasury and executed a financial assistance agreement received their total ERA 1 award funds in one payment.

ERA 2 provided \$21.55 billion for Treasury to make payments to States (defined to include the District of Columbia), US Territories (Puerto Rico, US Virgin Islands, Guam, Northern Mariana Islands, and American Samoa), and local governments with more than 200,000 residents. These entities are collectively referred to as “eligible grantees” or “ERA 2 grantees.” ERA 2 award funds may be used to assist eligible households with financial assistance and to provide housing stability services and, as applicable, to cover the costs for other affordable rental housing and eviction prevention activities.

Pursuant to section 3201(c)(1) of ARPA, Treasury made initial payments of 40 percent of an eligible grantee’s total award amount to the each grantees under ERA 2 that submitted the required documentation and executed the financial assistance agreement. Through February 2022, Treasury made payments of the remaining 60 percent of ERA 2 grantees’ award funds after they certified that at least 75 percent of the initial ERA 2 payment has been obligated pursuant to section 3201(c)(2) of ARPA. Beginning in February 2022, Treasury altered its ERA 2 payment tranche policy to allow grantees to receive the remainder of their ERA 2 award funds in two payments (half of the remaining balance, followed by the remaining balance), subject to potential reductions resulting from the implementation of a statutory reallocation requirement.

Additional information on statutory differences between ERA 1 and ERA 2 are described in the Emergency Rental Assistance Frequently Asked Questions (FAQs) posted [here](#).

Section 501(b)(1)(A) of the Consolidated Appropriation Act, 2021 directs Treasury to use US Census Bureau data for the most recent year for which data is available for population calculations for determining the populations of state and local governments. Funds are distributed via a per capita formula allocation detailed on Treasury.gov that considers the minimum allocation of \$200 million for states and the District of Columbia. Allocation amounts can be found via the following link: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/allocations-and-payments>.

Source of Governing Requirements

- Emergency Rental Assistance (“ERA 1”), Division N, Title V, Section 501 of the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260 (December 27, 2020) and codified as 15 USC 9058a;
- Emergency Rental Assistance (“ERA 2”), Title III, Subtitle B, Section 3201 of the American Rescue Plan Act, 2021, Pub. L. No. 117-2 (March 11, 2021) codified as 15 USC 9058c;
- Section 15011 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Pub. L. No. 116-136), as amended by Title VIII, Section 801(b) of the Consolidated Appropriations Act, 2021 (Pub. L. No. 116-260) on December 27, 2020; and

- Treasury’s Frequently Asked Questions (FAQs) and related guidance available on Treasury.gov, including important version changes over time that can be found on the ERA program website.

Availability of Other Program Information

General information for the ERA program is available on the program website at www.treasury.gov/ERA. Information includes the following documents:

- ERA authorizing statute: <https://www.govinfo.gov/content/pkg/PLAW-116publ260/pdf/PLAW-116publ260.pdf>
- ERA 2 authorizing statute: <https://www.govinfo.gov/content/pkg/PLAW-117publ2/pdf/PLAW-117publ2.pdf>
- Section 15011 of the CARES Act regarding ERA1 reporting: <https://www.govinfo.gov/content/pkg/PLAW-116publ136/pdf/PLAW-116publ136.pdf>
- ERA 1 Award Terms template: <https://home.treasury.gov/system/files/136/Emergency-rental-assistance-terms-FINAL.pdf>
- ERA 2 Award Terms template: https://home.treasury.gov/system/files/136/ERA2_Granttee_Award_Terms_572021.pdf
- Treasury’s ERA Frequently Asked Questions (FAQs) and program guidelines are available at <https://home.treasury.gov/system/files/136/ERA-FAQ-8-25-2021.pdf>
- Treasury’s ERA 1 Reallocation guidance: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/guidance>
- Treasury’s ERA 2 Reallocation Guidance: <https://home.treasury.gov/system/files/136/ERA2-Reallocation-Guidance-March-30-2022.pdf>
- ERA Promising Practices guidance: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/promising-practices>
- ERA Program and Service Design guidance: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/service-design>

- ERA Compliance and Reporting guidance: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/reporting>
- Guidance from the Treasury Office of Inspector General (OIG) related to the reporting of ERA fraud, waste, and abuse and any future monitoring of funds requirements (where applicable) <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/fraud>

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an “N.” See the Safe Harbor Status discussion in Part 1 for additional information.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment/Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	Y	N	N	Y	N	N	Y	N	Y

A. Activities Allowed or Unallowed

ERA 1 and ERA 2 funds may be used for administrative expenses, housing stability services, and financial assistance on behalf of an eligible household, as defined in the Treasury guidance. In the case of ERA 2, after October 2022, grantees that have obligated 75 percent of their allocations may choose to use up to 25 percent of their allocation for, “other affordable rental housing and eviction prevention purposes, as defined by the Secretary, serving very low-income families.” As of March 1, 2022, Treasury had not yet released guidance to further define these additional uses.

Where applicable, the final ERA 1 payment amount distributed by Treasury to the ERA 1 grantee through an ERA 1 “redirect” and/or “reallocation” process, pursuant to Treasury’s Reallocation Guidance, is described on [Treasury.gov](https://www.treasury.gov). If a grantee receives redirected or reallocated funds, the funds are subject to the same requirements under the ERA 1 Award Terms previously accepted by the grantee in connection with their ERA 1 award with the addition that grantees receiving reallocated ERA 1 funds may request from Treasury an extension of their final obligation date from September 30, 2022, to December 29, 2022. Please see the ERA page at [Treasury.gov](https://www.treasury.gov) and [ERA FAQs](#) for the latest guidance regarding eligible uses under ERA 1 and ERA 2.

Administrative Expenses: The revised Award Terms for ERA 1 and ERA 2 awards issued by Treasury permits ERA grantees to use award funds provided to cover both direct and indirect administrative costs. The cost of a grantee contacting a landlord to encourage their participation and acceptance of ERA assistance is one of many examples of an eligible administrative cost. Under ERA 1, a grantee may use up to 10 percent of the total award amount for direct and indirect administrative costs and may use up to 10 percent of the total award amount for housing stability services. Under ERA 2, a grantee may use up to 15 percent of the total award amount for direct and indirect administrative costs and may use up to 10 percent of the total award amount for housing stability services as described below (see also FAQ 29).

Housing Stability Services: Under ERA 1, housing stability services includes case management and other services related to the COVID-19 outbreak intended to help keep households stably housed. Under ERA 2, housing stability services do not have to be related to the COVID-19 outbreak. For ERA 1 and ERA 2, housing stability services include those that enable households to maintain or obtain housing. Such services may include, among other things, eviction prevention and eviction diversion programs; mediation between landlords and tenants; housing counseling; fair housing counseling; housing navigators or promoters that help households access programs or find housing; case management related to housing stability; housing-related services for survivors of domestic abuse or human trafficking; legal services or attorney’s fees related to eviction proceedings and maintaining housing stability; and specialized services for individuals with disabilities or seniors that support their ability to access or maintain housing (see FAQ 23).

Financial Assistance: Financial assistance to households includes payment of rent, rental arrears, utilities and home energy costs, utility and home energy costs arrears, and other expenses related to housing pursuant to section 501(c)(2)(A) of the Act and section 3201(d)(1)(A) of ARPA. Please note that under the ERA1 program, award funds used for “other expenses” must be related to housing and “incurred due, directly indirectly, to the novel coronavirus disease (COVID-19) outbreak” (see section 501(c)(2)(A)(v) of the Act). However, the ERA2 statute requires that “other expenses” be “related to housing” but does not require that they be incurred due to the COVID-19 outbreak (see section 3201(d)(1)(A)(V) of ARPA). The amount of financial assistance for prospective rent cannot exceed three months under a single household application. There is no maximum dollar amount for the cumulative financial assistance that may be provided on behalf of

an eligible household beyond the requirements set forth in the ERA FAQs. These requirements include that amounts paid be based on documentation of household income, leases, and equivalent forms (or for applicants unable to present adequate documentation, a written attestation from the applicant up to a monthly maximum of 100 percent of the greater of the Fair Market Rent or the Small Area Fair Market Rent for the area in which the applicant resides) and that the amount of assistance provided to any household under ERA 1 and ERA 2, including assistance provided by other ERA 1 and ERA 2 grantees cannot exceed 18 months.

Financial assistance arrears may only cover household expenses accrued on or after March 13, 2020, up to a maximum of 15 months for ERA 1 and a maximum of 18 months, under ERA 1 and ERA 2 combined. For prospective rent assistance greater than three months up to the statutory maximum of 18 months under ERA 1 and ERA 2, the household must apply to the program again and the grantee must have sufficient funds. Households may receive up to 12 months of assistance under ERA 1 and an additional three months if necessary to ensure housing stability for the household for a total of three months. This means that for ERA 1, the maximum rental arrears monthly coverage period, where applicable, is 15 months where necessary for housing stability and households may only receive up to three months of prospective rent, where applicable and qualifying (see FAQ 10).

Examples of other costs for both ERA 1 and ERA 2 include relocation expenses (including prospective relocation expenses), rental security deposits, rental fees including application and screening fees, reasonable accrued late fees, Internet service to a given rental unit, and rental bonds where necessary to avoid an eviction order, as provided in the Treasury guidance and subject to certain conditions (for example, that Internet service expenses are eligible only if grantees establish policies governing the appropriate use for this purpose).

Other Affordable Rental Housing and Eviction Prevention Purposes: Treasury anticipates releasing an FAQ soon to further define these uses.

B. Allowable Costs / Cost Principles

The cost principles in 2 CFR Part 200, Subpart E (Cost Principles) except the 2 CFR 200.418 and 2 CFR 200.419 apply to ERA 1 and ERA 2. Under ERA 1, a grantee may use up to 10 percent of the total award amount for direct and indirect administrative costs. Under ERA 2, a grantee may use up to 15 percent of the total award amount for direct and indirect administrative costs (see FAQ 29).

E. Eligibility

Treasury expects auditor testing of household eligibility to focus on whether grantees established and adhered to reasonable policies for evaluating household applications within Treasury's framework providing for the use of self-attestation, categorical eligibility, and fact-specific proxies in qualifying circumstances.

This approach to eligibility was implemented in accordance with Consolidated Appropriations Act, 2021, for ERA 1 in sections 501(c)(2)(C)(ii) of the Act concerning documentation of payments to households, sections 501(f)(2)(A) and (B) of the Act concerning signature requirements for applications and documentation required for tenants, section 501(k)(1) concerning area median income determinations, and sections 501(k)(3)(A)(I) and (II) concerning eligible household determinations and attestation requirements. This treatment is further explained in the ERA FAQs; the Consolidated Appropriations Act, 2021; and the Treasury, Department of Justice and Department of Housing and Urban Development joint letter issued August 27, 2021 (<https://home.treasury.gov/system/files/136/Eviction-Moratorium-Joint-Letter.pdf>).

To the extent that a grantee has established and consistently followed its own reasonable procedures for implementing an eligibility determination process, consistent with Treasury's guidance, it is not Treasury's expectation that grantees should seek additional documentation from a beneficiary after the initial determination of eligibility has been completed, including for those determined to be eligible using self-attestation, categorical eligibility, or fact-specific proxies in qualifying circumstances. Testing of individual household eligibility-related documentation should be limited to material already collected by the grantee during application as much as possible to avoid imposing undue burden on households that remain at risk of housing instability.

Treasury guidance related to determining where an applicant lives and the amount that they owe can be found in FAQ 5. Grantees must obtain, if available, a current lease, signed by the applicant and the landlord or sublessor, that identifies the unit where the applicant resides and establishes the rental payment amount. If a household does not have a signed lease, documentation of residence may include evidence of paying utilities for the residential unit, an attestation by a landlord who can be identified as the verified owner or management agent of the unit, or other reasonable documentation as determined by the grantee. In the absence of a signed lease, evidence of the amount of a rental payment may include bank statements, check stubs, or other documentation that reasonably establishes a pattern of paying rent, a written attestation by a landlord who can be verified as the legitimate owner or management agent of the unit, or other reasonable documentation as defined by the grantee in its policies and procedures.

Additional Treasury guidance related to income determination can be found in FAQ 4 and related guidance (<https://home.treasury.gov/system/files/136/ERA-FAQ-8-25-2021.pdf>). ERA 2 builds on the eligibility criteria in ERA 1 and permits additional flexibilities.

The ERA FAQs document the full eligibility considerations for grantees to extend emergency assistance to vulnerable populations without imposing undue documentation burdens. As described, given the challenges presented by the COVID-19 pandemic, grantees may be flexible as to the particular form of documentation they require, including by permitting photocopies or digital photographs of documents, e-mails, or attestations from employers, landlords, caseworkers, or others with knowledge of the

household's circumstances. Grantees must require all applications for assistance to include an attestation from the applicant household that all information included is correct and complete. In all cases, grantees must document their policies and procedures for determining household eligibility to include policies and procedures for determining the prioritization of households in compliance with the statute and maintain records of their determinations.

Grantees may rely on a written attestation without further documentation of household income from the applicant under three approaches:

- **Self-attestation Alone** – In order to provide assistance rapidly during the public health emergency related to COVID-19, the grantee may rely on a self-attestation of household income, financial hardship, and/or risk of homelessness and housing instability without further verification if the applicant confirms in their application or other document that they are unable to provide documentation, provided the other requirements detailed in Treasury guidance are satisfied. If an applicant is able to provide satisfactory evidence of residence but is unable to present adequate documentation of the amount of the rental obligation, grantees may accept a written attestation from the applicant to support the payment of assistance up to a monthly maximum of 100 percent of the greater of the Fair Market Rent or the Small Area Fair Market Rent for the area in which the applicant resides, as most recently determined by HUD and made available at <https://www.huduser.gov/portal/datasets/fmr.html>;
- **Categorical Eligibility** – If an applicant household income has been verified to be at or below 80 percent of the area median income (for ERA 1) or if an applicant household has been verified as a low-income family as defined in Section 3(b) of the United States Housing Act of 1937 (42 USC 1437a(b)) (for ERA 2) in connection with another local, state, or federal government assistance program, grantees are permitted to rely on a determination letter from the government agency that verified the applicant's household income or status as a low-income family, provided that the determination for such program was made on or after January 1, 2020; and/or
- **Fact-specific proxy** – A grantee may rely on a written attestation from the applicant household as to household income if the grantee also uses any reasonable fact-specific proxy for household income, such as reliance on data regarding average incomes in the household's geographic area. Grantees also have discretion to provide waivers or exceptions to this documentation requirement to accommodate disabilities, extenuating circumstances related to the pandemic, or a lack of technological access. In these cases, the grantee is still responsible for making the required determination regarding the applicant's household income and documenting that determination.

Grantees have discretion to provide waivers or exceptions to certain documentation requirements to accommodate disabilities, extenuating circumstances related to the

pandemic, or a lack of technological access. In these cases, the grantee is still responsible for making the required determination regarding the applicant's household income and documenting that determination. Pursuant to section 501(k)(3)(B) of Division N of the Consolidated Appropriations Act, 2021, and 2 CFR 200.403, when providing ERA 1 assistance, the grantee must review the household's income and sources of assistance to confirm that the ERA 1 assistance does not duplicate any other assistance, including federal, state, or local assistance provided for the same costs. Grantees may rely on an attestation from the applicant regarding non-duplication with other government assistance, and the duplication requirement does not apply to ERA 2; however, to maximize program efficacy, Treasury encourages grantees to minimize the provision of duplicative assistance.

Treasury strongly encourages grantees to rely on the self-certification of applicants with regard to whether their financial hardship meet statutory eligibility requirements. Similarly, with respect to determining whether one or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability, Treasury indicates that a grantee may rely on a past due utility or rent notice or eviction notice, evidence of unsafe or unhealthy living conditions (which may include overcrowding) or any other evidence of risk, as determined by the grantee. Treasury clearly indicates that a grantee may rely on an applicant's self-certification identifying the applicable risk factor or factors, without further documentation, if other documentation is not immediately available.

H. Period of Performance

Under Section 501(e)(1) of the Consolidated Appropriations Act, 2021, the period of performance for ERA 1 awards began on the date that the grantee executed the ERA 1 Award Terms and ended on December 31, 2021. Section 3201(h) of ARPA extended the award period of performance from December 31, 2021 to September 30, 2022. Pursuant to Section 501(e)(2) of the Consolidated Appropriations Act, 2021, Treasury extended the award period of performance to end on December 29, 2022 for ERA 1 grantees that receive reallocated funds.

Under section 3201(g) of ARPA, the period of performance for ERA 2 awards begins on the date that Treasury and the grantee executed the ERA 2 Award Terms and ends on September 30, 2025. All award funds not obligated or expended by the end of the period of performance date for ERA 1 and ERA 2 awards must be returned to Treasury as part of the award closeout process pursuant to 2 CFR 200.344(d), including amounts distributed through redirection and reallocation.

L. Reporting

1. Financial Reporting

- a. *SF-270, Request for Advance or Reimbursement* – Not Applicable

- b. *SF-271, Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable
- c. *SF-425, Federal Financial Report* – Applicable

2. Performance Reporting

See Special Reporting.

3. Special Reporting

ERA 1 and ERA 2 Reports

ERA 1 and ERA 2 quarterly and monthly reporting requirements are available at the links provided below. Grantees are required to submit reports in accordance with the guidance beginning in the first quarter of 2021 through September of 2022 for ERA 1 (and December 2022 for recipients receiving reallocated funds) and through September of 2025 for ERA 2. ERA 1 grantees—excluding Indian tribes, tribally designated housing entities and the Department of Hawaiian Home Lands consistent with the reporting allowances provided in section 501(g) of the Consolidated Appropriations Act, 2021—are required to submit monthly reports. Interim reporting requirements that were temporarily in place through the second quarter of 2021 pursuant to OMB Memorandum M-21-20 while grantees responded to the housing crisis and Treasury deployed new reporting features have been replaced by the complete quarterly reporting requirements in Treasury’s reporting and compliance guidance available on [Treasury.gov](https://www.treasury.gov). Interim reports should be reviewed where submitted prior to issuance of the full reporting requirements for consistency with internal records and good faith effort by grantees. Reporting guidance and terminology issued by Treasury at the time of report filing periods may be utilized, except where grantees were instructed to update report submissions in accordance with more recent instructions.

The reports that ERA grantees must submit are:

- **Monthly Reports (1505-0266)**: The two Monthly Reporting questions are included in the information collection for the Interim Quarterly Reports. Beginning with the monthly report for the April 1 through April 30, 2021, period of performance for ERA 1 generally due to Treasury by May 15, 2021, state, local and territorial grantees receiving ERA 1 awards submit monthly reports. For ERA 2, monthly reporting began with the June 1 through June 30, 2021 period of performance and reports were due to Treasury by July 15, 2021, or where otherwise extended in an approved authorization from EmergencyRentalAssistance@Treasury.gov. Grantees receiving ERA 1 and ERA 2 allocations later in the award cycle as evidenced by award or reallocation dates are not required to submit reports for periods not covered by the assistance agreement. Tribal government

grantees are exempt from the monthly reporting requirement, as detailed in Treasury guidance.

The key lines on the form are:

1. Total number of participating households that received ERA assistance of any kind; and
 2. Total amount of ERA funds expended by the ERA grantee to or for participating households on behalf of eligible households. This a key line item because it feeds into Treasury's reallocation formula, as detailed in guidance at Treasury.gov.
- **Quarterly Reports (1505-0266)**: All ERA grantees must submit quarterly reports with reporting periods of one calendar quarter and several cumulative fields covering all activity from the date of award through the quarter close. These reports provide financial and performance data regarding grantee administration of their ERA projects and capture program design in addition to program status data elements. Quarterly reports are intended to capture standard financial and performance data, as well as detailed information on qualifying direct and indirect expenditures pursuant to the government-wide Federal Funding Accountability and Transparency Act (FFATA) reporting requirements and in accordance with Section 15011 of the CARES Act, as amended and interpreted in Treasury's reporting and compliance guidance on Treasury.gov.

The key line items in the form are:

1. The cumulative amount obligated by the grantee; and
2. The cumulative amount expended by the grantee

The above are key line items because grantees must certify 65 percent of funds as having been obligated, including the assumed up to 10 percent obligation provided for in Treasury's guidance, to qualify for receiving a reallocation payment for ERA1 and grantees are subject to returning funds under reallocation where their expenditure ratio for ERA 1 is less than the requirement in effect at the time, as detailed in Treasury's reallocation guidance (the threshold escalates).

Evaluating Grantee Data Privacy Protection

Where select grantees are initially unable to utilize the Treasury ERA reporting portal due solely to Treasury's identity proofing and authentication provider ID.me not accepting tribal identification cards and other reasonable, documented technology limitations related to broadband access, Treasury provided grantees

flexibility as long as some form of reasonable notice and request for exception was provided and that the grantee otherwise met reporting requirements and eventually provided one reasonably reliable quarterly report for each of the periods of performance beginning December 27, 2020 through September of 2022 and beyond for ERA 2 under the American Rescue Plan Act of 2021. While identity proofing and authentication are critical for maintaining grantee and household privacy, Treasury is aware of some hardships and as of January 2022 has released an alternative identity proofing solution for grantees demonstrating hardship through Login.gov.

A full list of reports and reporting requirements may be found in Treasury's reporting and compliance guidance page [here](#). Please note that tribal grantees and tribal housing authorities were exempt from several components of reporting pursuant to Section 501 of the Consolidated Appropriations Act, 2021, including monthly reporting, demographic and socioeconomic exhibits, and household data files as detailed in Appendix 1 – Reporting Elements by ERA Recipient Type and Appendix 6 – Required ERA1 and ERA2 Monthly Reports, of the Emergency Rental Assistance Program Reporting Guidance.

Grantees under ERA 1 are required to comply with the requirement in section 501(g)(4) of Division N of the Consolidated Appropriations Act, 2021 to establish data privacy and security requirements for information they collect and grantees under ERA 2 are also encouraged to comply with those requirements.

Treasury's Office of Inspector General may require the collection of additional information in order to fulfill its ERA oversight and monitoring requirements.

4. Special Reporting for Federal Funding Accountability and Transparency Act

See Part 3 of the 2022 OMB Compliance Supplement for audit guidance.

N. Special Tests and Provisions

ERA 1 Funds Redirection: Where applicable to a grantee, auditors should confirm: 1) that all voluntarily redirected ERA 1 award funds were approved by the grantee's authorizing official in accordance with Treasury guidance; 2) all redirected ERA 1 award funds were deposited to the official, authorized bank account of the receiving grantee, as approved by Treasury; and 3) all ERA 1 award funds received through the redirection process are used in accordance with the ERA 1 Award Terms.

Pursuant to section 501(b)(1)(A) of the Consolidated Appropriations Act, 2021 and Treasury's implementing instructions to requesting grantees, grantees are permitted to redirect ERA 1 funds when a locality receives an ERA 1 award and subsequently transfers 100 percent of the ERA 1 award funds received from Treasury to its eligible state and Treasury approves the transaction. The redirection of award funds is finalized when the locality has submitted the relevant redirection documentation to Treasury and Treasury has provided confirmation of acceptance. At that time, the locality's ERA 1

award is cancelled, and the locality has no further legal obligation to Treasury under the ERA 1 award. The state's ERA 1 award is modified by the amount of the funds transferred from the local government to the state and the state is responsible as the grantee for reporting on the use of the transferred award funds that become subject to the requirements set forth in the Award Terms previously accepted by the state in connection with its ERA 1 award. A local government that has redirected 100 percent of its ERA 1 award funds to its state but has not submitted the relevant redirection documentation to Treasury or is still awaiting confirmation of acceptance of submitted documentation by Treasury, is still responsible for complying with the ERA 1 Award Terms, including submitting Monthly and Quarterly reports until their redirection forms were submitted and accepted by Treasury.

ERA Funds Reallocation: Auditors should confirm that financial information certified by grantees used by Treasury to make reallocation determinations is accurate and that excess funds that are subject to involuntary recapture are returned to Treasury in accordance with Treasury's confirmation letter from EmergencyRentalAssistance@Treasury.gov. The financial information certified as part of reallocation includes monthly expenditure and cumulative obligations levels, as described in the Treasury reallocation guidance. ERA 1 expenditures reported monthly by the grantee are inputs to Treasury's reallocation expenditure ratio. ERA1 obligations certified in the Request for Reallocated Funds form (1505-0266), including in the Request for Voluntarily Reallocated Funds, are inputs into determining eligibility to receive reallocated funds. ERA 2 expenditures and obligations reported in quarterly reports by the grantee are inputs to Treasury's ERA 2 reallocation expenditure and obligation ratios. The reallocation expenditure ratio determines whether the grantee is subject to involuntary reallocation due to an insufficient ratio and the amount of excess funds subject to recapture by Treasury. Auditors should confirm the amounts reported as expended and obligated accurately capture the grantee's housing activity at the time of submission, as reflected in a grantee's award and/or financial systems, and that grantees receiving reallocated funds met the Treasury criteria.

Pursuant to section 501(d) of the Consolidated Appropriations Act, 2021, Treasury is required to reallocate "excess" ERA 1 award funds. Treasury's objective in reallocations is to ensure ERA 1 award funds remain available to grantees in accordance with their jurisdictional needs and demonstrated capacity to deliver assistance while the ERA appropriations remain available. Treasury's ERA 1 reallocation guidance on Treasury.gov and previewed here describes how grantees that have expenditure ratios below designated thresholds as of September 30, 2021, were subject to involuntary recapture, in the absence of mitigating actions, requiring the grantee to return funds to Treasury within the provided timeframes. Treasury continues to periodically assess expenditures using escalating expenditure benchmarks to identify and reallocate excess funds. For the first assessment using data as of September 30, 2021, grantees could mitigate the impact of recapture by submitting a certification that the grantee's financial assistance activity had since increased to a level beyond the minimum threshold, committing to a voluntary reallocation, or by providing a Performance Improvement Plan. Treasury's reallocation guidance on Treasury.gov will continue to detail specific

ERA reallocation timelines. The guidance also describes the voluntary reallocation process through which a grantee may request that Treasury reallocate its ERA 1 award funds to other ERA 1 grantees in the same state. Treasury is not recapturing funds from Indian Tribes or Tribally Designated Housing Entities (TDHEs) prior to the end of the second quarter of 2022, except where a Tribal grantee, its TDHE, or housing authority voluntarily return funds to Treasury. Auditors should refer to the ERA 1 reallocation guidance at www.treasury.gov/era. Guidance for ERA 2 reallocation can also be found on this site.

IV. OTHER INFORMATION

Auditors should refer to Part 3 of the Compliance Supplement for suggested audit procedures. If there are specific questions regarding ERA, the Office of Recovery Programs may be contacted via e-mail at EmergencyRentalAssistance@treasury.gov.

APPENDIX IV INTERNAL REFERENCE TABLES

INTRODUCTION

This Appendix includes a listing of programs with a “higher risk” designation and describes how that designation impacts the major program determination process. It also includes a list of programs in Part 4 which have requirements defined in IV, “Other Information.”

PROGRAMS WITH “HIGHER RISK” DESIGNATION

Uniform Guidance section 200.519(c)(2) states that “Federal agencies, with the concurrence of OMB, may identify Federal programs that are higher risk. It also states that OMB will provide this identification in the Compliance Supplement.”

As a result of the COVID-19 pandemic, many new federal programs have been established and funding has been added to existing federal programs from the following Acts:

- Coronavirus Preparedness and Response Supplemental Appropriations Act
- Families First Coronavirus Response Act
- Coronavirus Aid, Relief, and Economic Security Act (CARES Act)
- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)
- American Rescue Plan Act (ARP)

Funding arising from these sources, both to new and existing programs, is referred to as “COVID-19 funding,” or “COVID-19 programs.”

For many years, the only program with a “higher risk” designation in the Compliance Supplement was the Medicaid cluster. However, due to the additional risk associated with certain COVID-19 funding, additional programs were designated as “higher risk” in the 2021 Compliance Supplement and the 2022 Compliance Supplement continues to include certain programs with COVID-19 funding on the “higher risk” list.

The following is a complete list of programs with COVID-19 funding that have been identified as “higher risk” for audits subject to the 2022 Compliance Supplement. The table also continues to include the Medicaid cluster as a “higher risk.”

Agency	Assistance Listing (CFDA) Number	Title
Education*	84.425	Education Stabilization Fund
FCC*	32.009	Emergency Connectivity Fund Program
HHS*	93.461	Testing for the Uninsured
HHS*	93.498	Provider Relief Fund
HHS**	93.778/93.777/93.775	Medicaid Cluster
Transportation**	20.106	Airport Improvement Program
Transportation**	20.500/20.507/20.525/20.526	Federal Transit Cluster
Transportation**	20.315	National Railroad Passenger Corporation Grants
Treasury*	21.023	Emergency Rental Assistance
Treasury*	21.027	Coronavirus State and Local Fiscal Recovery Funds

Note:

* These programs were created by one of the laws cited at the beginning of this section and are thus considered 100% COVID-19 funding.

** These programs were existing programs that received additional funding from one or more of the laws cited at the beginning of this section.

Impact of “Higher Risk” Status on Major Program Determination

Type A Program Considerations

A “higher risk” designation will often result in a Type A program or other cluster being audited as a major program. However, an auditor is not precluded from determining that a “higher risk” Type A program or other cluster qualifies as a low risk Type A program if both of the following criteria are met:

1. the program otherwise meets the criteria for a low risk Type A program in section 200.518 of the Uniform Guidance; and
2. the percentage of COVID-19 funding in the program or other cluster during the non-federal entity’s fiscal year is not material to the program or other cluster as a whole. For example, a recipient’s schedule of expenditures of federal awards may include the Airport Improvement Program but the expenditures relevant to COVID-19 funding included in the program during the June 30, 2022, fiscal year end is not material. Alternatively, a recipient’s schedule of expenditures of federal awards may include Education Stabilization Fund expenditures for the June 30, 2022, fiscal year end, which would be considered material because COVID-19 funding comprises the entire program.

Note that the inclusion of COVID-19 funding within the Research & Development (R&D) cluster does not create a “higher risk” designation for the R&D cluster.

Auditors should prepare audit documentation supporting the risk considerations and conclusions for “higher risk” programs.

Type B Program Considerations

Under section 200.518 of the Uniform Guidance, in certain circumstances the auditor must identify Type B programs which are high risk using professional judgment and the criteria in section 200.519 of the Uniform Guidance, which includes consideration of whether a program has been identified as “higher risk” by a Federal agency with the concurrence of OMB. Thus, there are no changes to the normal risk assessment process for Type B programs identified as “higher risk.” That is, the “higher risk” identification must be considered with the other factors in section 200.519.

Further, the auditor is not required to prioritize the assessment of risk for “higher risk” Type B programs over other Type B programs.

PROGRAMS WITH “OTHER INFORMATION” IN PART 4

The following is a list of programs in Part 4 which have requirements defined in IV, “Other Information.” If the listing is a cluster, all program numbers are shown, but only the primary program name is presented.

10.551/10.561	Supplemental Nutrition Assistance Program (SNAP)
10.553/10.555/10.556/10.559	School Breakfast Program (SBP)
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
10.558	Child and Adult Care Food Program (CACFP)
10.760	Water and Waste Disposal Systems for Rural Communities
10.766/10.780	Community Facilities Loans and Grants
11.300/11.307	Investments for Public Works and Economic Development
14.157	Supportive Housing for the Elderly (Section 202)
14.181	Supportive Housing for Persons with Disabilities (Section 811)
14.218/14.225	Community Development Block Grants/Entitlement Grants and Non-Entitlement Counties in Hawaii
14.228	Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii
14.239	Home Investment Partnerships Program
14.256	Neighborhood Stabilization Program (Recovery Act Funded)
14.850	Public and Indian Housing
14.862	Indian Community Development Block Grant Program
14.867	Indian Housing Block Grants
14.871/14.879	Section 8 Housing Choice Vouchers
14.872	Public Housing Capital Fund (CFP)
14.873	Native Hawaiian Housing Block Grant
14.881	Moving to Work Demonstration Program
14.888	Lead-based Paint Capital Fund Program and Housing-Related Hazards Capital Fund
15.022	Tribal Self-Governance
15.025/15.026/15.113/	

15.114/15.130	Services to Indian Children, Elderly and Families (477 Cluster)
16.710	Public Safety Partnership and Community Policing Grants
17.225	Unemployment Insurance (UI)
17.265	Native American Employment and Training
20.106	Airport Improvement Program
20.223	Transportation Infrastructure Finance and Innovation Act (TIFIA) Program
21.016	Equitable Sharing Program
21.020	Community Development Financial Institutions Program
21.023	Emergency Rental Assistance Program
21.026	Homeowner Assistance Fund Program
21.027	Coronavirus State and Local Fiscal Recovery Funds
21.029	Coronavirus Capital Projects Fund
66.458/66.482	Capitalization Grants for Clean Water State Revolving Funds
66.468/66.483	Capitalization Grants for Drinking Water State Revolving Funds
81.041	State Energy Program
84.000	Cross-Cutting Section
84.002	Adult Education-Basic Grants to States
84.010	Title I Grants to Local Educational Agencies
84.027/84.173	Special Education-Grants to States (IDEA, Part B)
84.032-G	Federal Family Education Loans-(Guaranty Agencies)
84.032-L	Federal Family Education Loans-(Lenders)
84.041	Impact Aid (Title VII of ESEA)
84.042/84.044/84.047/ 84.066/84.217	Student Support Services
84.048	Career and Technical Education-Basic Grants to States (Perkins IV)
84.181	Special Education-Grants for Infants and Families
84.282	Charter Schools
84.287	Twenty-First Century Community Learning Centers
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)
84.424	Student Support and Academic Enrichment Program
84.938	Hurricane Education Recovery
93.044/93.045/93.053	Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers and CARES Act for Supportive Services Under Title III-B of the Older Americans Act
93.095/93.096	HHS Programs for Disaster Relief Appropriations Act-Non-Construction
93.268	Immunization Cooperative Agreements
93.461	HRSA COVID-19 Uninsured Program
93.498	Provider Relief Fund
93.499	Low-Income Household Water Assistance Program
93.545	Consumer Operated and Oriented Plan (CO-OP) Program
93.558	Temporary Assistance for Needy Families (TANF)

93.566	Refugee and Entrant Assistance—State-Administered Programs
93.568	Low-Income Home Energy Assistance and Low-Income Drinking Water and Wastewater Emergency Assistance
93.569	Community Services Block Grant
93.575/93.596/93.489	Child Care and Development Block Grant
93.600/93.356	Head Start
93.667	Social Services Block Grant
93.778/775/777	Medical Assistance Program (Medicaid; Title XIX)
93.959	Block Grants for Prevention and Treatment of Substance Abuse
93.994	Maternal and Child Health Services Block Grant to the States
96.001/96.006	Social Security-Disability Insurance
97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)
97.039	Hazard Mitigation Grant Program (HMGP)
97.067	Homeland Security Grant Program (HSGP)

Part 5.3 also has requirements defined in IV, “Other Information.”