

Treasury Emergency Rental Assistance (ERA)
Quarterly Reporting Special Tip
January 24, 2022
****Attention****

Dear ERA1 and ERA2 Recipients:

Thank you for your efforts to deliver emergency housing relief and increase transparency through ERA quarterly reporting. As data in recent ERA monthly and quarterly reports demonstrate, many at risk families remain in their homes and apartments thanks, in part, to the hard work of the ERA Recipients.

Treasury is sharing several observations and important reporting tips below. Please take a moment to review. Information in this document will be useful to all ERA recipients as they prepare their Q4 2021 Quarterly Reports and future Quarterly Reports.

This special guidance supercedes and replaces sections of the Addendum published on October 28, 2021.

Clarifications on Recipient Reporting on Obligations and Expenditures

- **Obligation and Expenditure in Quarterly and Monthly Reporting¹:** To elaborate on existing guidance (there is no substantive change to the existing definitions of the terms), ERA recipients should report their Treasury ERA prime recipient award funds as obligated when the recipient makes a definite commitment that creates a legal liability for the recipient to make a payment for goods and services ordered or received, or a legal duty on the part of the recipient that could mature into a legal liability by virtue of actions on the part of the other party (for example, an applicant for rental housing assistance). Payment may be made immediately or in the future. Recipients incur an obligation, for example, when they place an order, sign a contract, award a grant, purchase a service, or take other actions that will require the recipient to make payments under the ERA award. In addition to legal obligations that have not yet been paid, ***Recipients must also report ERA funds that have been paid/expended as obligated in each Quarterly Report. Amounts reported as Expenditures to Treasury in ERA Monthly Reports should be similarly reported as Expenditures and Obligations in the associated ERA Quarterly Report. The sum of Expenditures in ERA Monthly Reports are expected to equal Quarterly total expenditures for the respective period less any necessary adjustments (for example, for returned checks).*** For recipients on a cash basis of accounting only, the amount of the ERA award obligated may be equal to the amount expended and paid (cash out the door). Otherwise, accrued liabilities for expenses incurred that have not been paid (for example, an approved rental housing assistance agreement or a commitment letter to pay prospective rental assistance in the following quarter) must also be counted as amounts obligated.

¹ Consistent with the definitions in Treasury's reporting guidance, 2 CFR Part 200 definitions, standard instructions for the Federal Financial Report (SF-425), and definitions from the Government Accountability Office.

- **ERA1 Reallocation Guidance:** Section 501(d) of the Consolidated Appropriations Act, 2021 provided that beginning on September 30, 2021, the Secretary shall recapture excess funds, as determined by the Secretary, that were not obligated by a grantee and reallocate such amounts to eligible grantees who, at the time of such reallocation, have obligated at least 65 percent of the amount originally allocated to them and have a demonstrated need for such funds. Treasury issued ERA1 Reallocation Guidance on October 4, 2021, that sets forth policies and procedures for the ERA1 reallocation process, which is available [here](#).

Please note that while the reallocation guidance allows recipients to assume 10% of the total ERA1 award has been obligated for administrative expenses for the purposes of reallocation, **recipients are to report actual program Administration expenses and obligations in Quarterly Report submissions.**

Treasury's Reallocation Guidance did not change Treasury's obligation definition. The reallocation guidance simply clarified that recipients may consider a financial assistance commitment letter issued to induce a landlord to enter into a rental agreement with an eligible household as an obligation.

Treasury expects amounts certified as obligated or expended for the purpose of reallocation to match previous and future Monthly and Quarterly Reporting submissions (with the exception of the 10% administrative expense allowance). Treasury will issue guidance on accounting for reallocated funds in a future update to the ERA1 reporting guidance. Note, however, that amounts returned to Treasury, whether excess funds or voluntary reallocation, should be excluded from reporting since the funds are no longer available for obligation or expenditure.

- **Obligations and Expenditures Must Not Exceed the Federal Award Amount** Recipients should ensure that amounts reported as obligated or expended do not exceed the total amount of the recipient's respective ERA1 and/or ERA2 award received from Treasury. Some recipients have reported obligations or expenditures that exceed the amount of funds awarded and paid by Treasury. While recipients may utilize other, non-Treasury ERA funds for their rental assistance programs, and are encouraged to do so within the guidelines set forth in Treasury's ERA Frequently Asked Questions and related guidance from the Office of Management and Budget in M-21-20, *Promoting Public Trust in the Federal Government through Effective Implementation of the American Rescue Plan Act and Stewardship of the Taxpayer Resources*, recipients should only report expenditures and obligations received from Treasury for their ERA1 and/or ERA2 award in their ERA Quarterly Reports. Recipients must also remember to report expenditures and obligations related to their ERA1 award separately from their ERA2 award. Treasury encourages recipients to identify amounts and describe contributions from other federal, state, or local programs in a comment field in quarterly and monthly submissions.
- **Obligations and Expenditures by Financial Assistance Type Must be Less than or Equal to the Federal Award Amount:** The amount a recipient reports as obligated or expended by ERA financial assistance type (for example, rent, rental arrears, etc.) and for

administrative expenses must not exceed the total amount of the ERA1 or ERA2 award. This rule applies to amounts reported for a single reporting period and for cumulative reporting.

- **Monthly and Quarterly Expenditure Reporting:** Treasury expects to be able to sum a recipient’s monthly household expenditure reports and the monthly sum should be consistent with expenditures reported in the respective Quarterly Report, except for documented adjustments for refunds and recoveries where applicable². Amounts reported in monthly reports should be consistent with ERA reallocation certifications for the same reporting period and point in time. Please note, Treasury plans to issue additional guidance on procedures for making updates or corrections to previously submitted monthly and quarterly reports in early 2022.
- **Reporting the ERA Prime Recipient’s Direct Obligations and Expenditures, and all Subrecipient and Contractor Expenditures:** As required in section 15011 of the CARES Act, recipients must report all obligations, including all direct payments and all obligations made to subrecipients and contractors. Please reference the Uniform Guidance at 2 CFR 200.332, *Requirements for Pass-through Entities*, for standards regarding when to report subrecipient activity as obligated or not and apply the definitions in ERA reporting guidance otherwise.

For example, the following Obligations and Expenditures are reportable in the “Expenditures” tab and the “Expenditures Associated with the ERA Recipient’s Subawards, Contracts, and Direct Payments Valued at \$30,000 or More” of the ERA Quarterly Report (see ERA reporting guidance) and the associated bulk upload files with the relevant picklist selections included:

- 1) A recipient awards and expends/pays more than \$30,000 directly to a third party (such as a business, corporate landlord, utility provider, non-profit provider, or other eligible entity) that is receiving the ERA funds exclusively as a beneficiary on behalf of a tenant. (**This does not include payments to beneficiaries who are unincorporated individual persons, for example, an individual landlord reporting rental income to the IRS on the Form 1040, U.S. Individual Income Tax Return, Schedule E, Supplemental Income and Loss, under a personal tax identification number such as a Social Security Number rather than an Employer Identification Number issued by the IRS.**) Please see the related discussion below of *Subrecipient versus Beneficiary versus Individual* for more information.
- 2) A recipient awards a contract with a net value of more than \$30,000 to a contractor for a service needed to implement the objectives of the recipient’s ERA Project³
- 3) A recipient provides a subrecipient a subaward greater than \$30,000 to carry out part of the prime recipient’s ERA award.

² Note, Treasury recognizes that the number of Monthly households assisted is unlikely to sum to the total number of assisted households in quarterly reporting due to double counting of households receiving assistance across months.

³ Expenditures, regardless of amount, to a contractor with a contract with a net value of \$30,000 or more should be reported in the “Expenditures Associated with the ERA Recipient’s Subawards, Contracts, and Direct Payments Valued at \$30,000 or More” screen on the ERA Quarterly Report.

Clarifications on how to Record Payments to Individuals, Small Landlords and Other Beneficiaries on the ERA Quarterly Reports

- **Reporting Payments to Individuals⁴:** Payments of ERA Financial Assistance to individuals who are not incorporated – regardless of the amount – should be reported in the aggregate using the “Obligations and Expenditures to Individuals (Beneficiaries) ” screen or the associated bulk upload file without reporting the individual’s unique identifiers (such as the Social Security Number).
- **Reporting Payments to Unincorporated Small Landlords (Individuals):** Unincorporated small landlords (individuals) that receive ERA Financial Assistance payments (e.g., for rent, rent arrears, and so forth) are beneficiaries. Therefore, ERA Financial Assistance payments to such unincorporated small landlords – regardless of the amount – should be reported in the aggregate using the “Obligations and Expenditures to Individuals (Beneficiaries)” screen or the associated bulk upload file without reporting the landlord’s unique identifiers (such as the Social Security Number). Unincorporated small landlords typically file a Form 1040 with Schedule E rental income with the IRS using a personal tax identification (such as a Social Security Number).
- **Reporting ERA Amounts of \$30,000 or More Paid to a Beneficiary that is a Business, Corporation, or Non-Profit** – When an ERA Recipient pays \$30,000 or more in ERA Financial Assistance to a business, corporation, or non-profit entity that is receiving the payment exclusively as a beneficiary of the program (excluding unincorporated individuals as noted above), the ERA Recipient must create a beneficiary profile record that includes the entity’s DUNS or Unique Entity Identifier (UEI) number (where registered), the Taxpayer Identification Number/Employer Identification Number (TIN/EIN, not SSN), the legal name, the entity type (for example, “For-profit Organization”), and the legal address (usually the headquarters location corresponding with the TIN/EIN reported and registration required for a DUNS or SAM). Until Treasury posts an updated reporting screen, ERA Recipients are instructed to answer “NA” to the question, “Is the subrecipient registered in SAM.gov?” for any non-individual beneficiaries to enable report acceptance by Treasury’s portal and satisfy the mandatory data fields. The answer would be “NA” even if the entity is not registered in SAM.gov and the recipient is using a TIN/EIN for reporting. Treasury apologizes for this inconvenience. The ERA Recipient must then follow the normal procedure for setting up a Direct Payment record on the “Subawards, Contracts, Direct Payments” tab as outlined in the reporting guidance. In addition, the ERA Recipient must report all expenditures (direct payments) made to the entity either on the screen for reporting expenditures associated with Subawards, Contracts and Direct Payment of \$30,000 or more or by using the associated bulk upload file.

⁴ This reporting requirement is similar to the Treasury CARES Act Coronavirus Relief Fund reporting in GrantSolutions.

Other Clarifications

- **Reporting Subaward and Executive Compensation Information.** Only “First-Tier” subaward details are to be submitted to FSRS.gov as required by 2 CFR Part 170, Appendix A regarding Reporting Subaward and Executive Compensation Information. This requirement continues to apply in addition to the section 15011 of the CARES Act reporting requirement for subawards, contracts and direct payments as detailed in the ERA reporting guidance, including where recipients report subrecipient activity to FSRS.gov or where Treasury reports such information on the recipient’s behalf to FSRS.gov based on the subaward reporting the recipient provides to Treasury on its quarterly reports (see 2 CFR Part 170, Appendix A section I.a.2.i.)

An entity that is strictly a beneficiary receiving a payment is NOT required to do any of the following: register for a DUNS number or a Unique Entity Identifier (UEI); register with SAM.gov or report executive compensation in SAM.gov. (Note, if an entity is both a beneficiary and a subrecipient or a contractor and if the recipient’s operating norms meet the criteria specified in 2 CFR 200.331, *Subrecipient and contractor determinations*, then the entity meeting the requirements of the award term in appendix A 2 CFR Part 170 must register for a UEI⁵ at SAM.gov and report executive compensation⁶.)

Thank you for your patience and comments as Treasury administers multiple pandemic programs. We welcome your ongoing feedback regarding existing requirements and the clarifications above.

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U.S. Department of the Treasury

⁵ At this time, new DUNS numbers are no longer available. Federal recipients are required to register for a UEI number instead of the DUNS number.

⁶ Pursuant to the Federal Funding Accountability and Transparency Act (FFATA) and its implementing regulations at 2 CFR Part 170.