Notice Regarding Funds Preliminarily Allocated to Units of Local Government That Have Not Taken Steps to Participate in ERA2

Any unit of local government that intends to participate in ERA2 but has not accepted any ERA2 funds or executed the ERA2 Award Terms must contact the Department of the Treasury at ERAApplications@treasury.gov by 5:00 PM Eastern Time on May 16, 2022 to indicate its intent to participate in ERA2.

To obtain an ERA2 allocation, units of local government were required to certify their election to receive ERA2 funds and intent to use such funds in a manner consistent with statutory requirements, under section 3201(b)(1) of the American Rescue Plan Act of 2021. In publicly announced preliminary ERA2 allocations, Treasury included units of local government eligible to participate in ERA2 that had not yet submitted the required certification.

Most eligible units of local government executed the program’s Award Terms and accepted their first tranche of funds, but several have not. If those units of local government do not contact Treasury by the deadline stated above, Treasury will redirect their preliminarily ERA2 allocations to other eligible governments within their respective states. Treasury will contact the state or local governments whose preliminary ERA2 allocations may be augmented by these funds.

If a unit of local government indicates its intent to participate in ERA2 by 5:00 PM Eastern Time on May 16, 2022, but had not done so by April 30, 2022, Treasury will provide it with the first tranche of its ERA2 allocation, equal to 40% of the amount announced in Treasury’s preliminary ERA2 allocations. However, 60% of the unit of local government’s allocation will be reallocated pursuant to Treasury’s ERA2 Reallocation Guidance.

This notice applies only to units of local government that have not accepted any ERA2 funds (including an initial tranche of ERA2 funds) or executed the ERA2 Award Terms. Any unit of local government that has taken either of these actions is not required to contact Treasury and should continue to operate its ERA2 program.