U.S. DEPARTMENT OF THE TREASURY

AN INTRODUCTION TO THE

Coronavirus State and Local Fiscal Recovery Funds

Compliance and Reporting Guidance

**For metropolitan counties and cities with a population that exceeds 250,000**

June 2021

Agenda

This session provides an introduction to your compliance and reporting responsibilities as discussed in the SLFRP Compliance and Reporting Guidance. You can find this document at treasury.gov/SLFRPreporting.

- **Overview**

- **Part 1: General Guidance**

- **Part 2: Reporting Guidance**

- **Q&A**
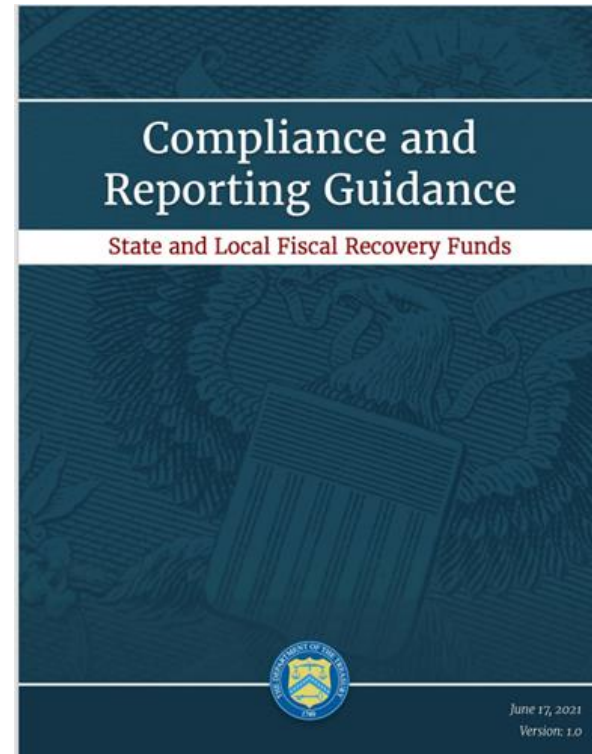
SLFRF Resources

For More Information:

Please visit Treasury's State & Local website at www.treasury.gov/SLFRP

To Request Funding:

Please visit www.treasury.gov/funding

For Media Inquiries:

Please contact the U.S. Treasury Press Office at (202) 622-2960

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Please email SLFRP@treasury.gov

Overview

The American Rescue Plan Act of 2021

The American Rescue Plan Act (ARPA) is providing fast and direct economic assistance for American workers, families, small businesses, and industries and it:

- Continues programs started by the CARES Act in 2020 and Consolidated Appropriations Act in 2021.

- Adds new phases, allocations, and guidance to address issues related to the continuation of the COVID-19 pandemic.

- Creates new programs to address continuing pandemic-related crises, and fund recovery efforts as the United States begins to emerge from the COVID-19 pandemic.

- Was passed by Congress on March 10, 2021, and signed into law on March 11, 2021.

Coronavirus State and Local Fiscal Recovery Funds Overview

ARPA created the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program to deliver $350 billion for state, territories, municipalities, counties, and Tribal governments much needed aid.

The key objectives for SLFRF are to:

- Support the urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control.

- Replace lost revenue for eligible recipients to strengthen support for vital public services and help retain jobs.

- Support immediate economic stabilization for households and businesses.

- Address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic on certain populations.

Interim Final Rule

SLFRF is subject to the requirements and guidance specified in the Interim Final Rule, adopted on May 10, 2021. The Interim Final Rule:

- Establishes a framework for determining the types of programs and services eligible under ARPA.

- Builds on the use of eligible expenditures under the Coronavirus Relief Fund (CRF).

- Recognizes the broad range of eligible uses to help SLFRF recipients.

- Establishes certain regular reporting requirements, including requiring certain recipients to publish information regarding use of SLFRF spend.

Treasury is seeking comments on all aspects of the Interim Final Rule.

Comments are due July 16, 2021 and can be electronically submitted through the Federal eRulemaking Portal or via mail to the Treasury.
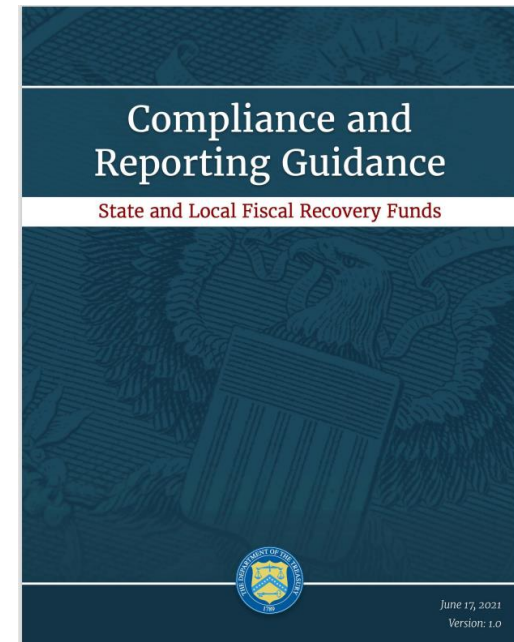
Compliance and Reporting Guidance Overview

On Jun 17, 2021, Treasury released the SLFRF **Compliance and Reporting Guidance**, which builds on the Interim Final Rule.

All SLFRF recipients are required to meet the compliance and reporting responsibilities noted in the Interim Final Rule.

The Reporting Guidance is broken into two parts:
(1) General Guidance
(2) Reporting Requirements

Compliance and Reporting Guidance
State and Local Fiscal Recovery Funds

June 17, 2021
Version: 1.0

Purpose of the Reporting Guidance

The SLFRF Reporting Guidance will ensure a speedy, equitable, transparent, and accountable recovery for all Americans

Accountable: Ensure recipients fulfill their compliance responsibilities and use funding as intended

Transparent: Provide the public data on how these funds were used and the outcomes achieved

User Friendly: Provide as easy and efficient user experience as possible

Focused on Recovery

The Reporting Guidance addresses priority areas to ensure a speedy and equitable recovery.

Equity Focused

Community Empowering

Worker-Centered

Results and evidence focused

Part 1: General Guidance

Recipient Compliance Overview

- Part 1B: Statutory Eligible Uses

- Part 1C: Treasury's Interim Final Rule

- Part 1D: Uniform Guidance (2 CFR) Requirements

- Part 1D: Award Terms & Conditions

Parts 1B and 1C: Statutory Eligible Uses and Treasury's Rulemaking

Part 1.C.1:
Eligible and Restricted Uses

- SLFRF has four permitted uses and certain restricted uses

Part 1.C.2:
Eligible Cost Timeframe

- Eligible costs incurred between March 3, 2021 and December 31, 2024
- Funds obligated by December 31, 2024 and expended by December 31, 2026

Part 1.C.3:
Reporting Requirements

- Generally, initial interim report, quarterly or annual Project and Expenditure reports, and Recovery Plan

Parts 1D and 1E: Uniform Administrative Requirements and Award Terms and Conditions

SLFRF recipients must follow the Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) and the Terms and Conditions of the SLFRF assistance.

- Allowable Activities
- Allowable Costs/Cost Principles (such as administrative costs and salaries and expenses)
- Cash Management
- Eligibility
- Subrecipient Monitoring
- SAM.gov Requirements
- Recordkeeping Requirements
- Single Audit Requirements
- Civil Rights Compliance

Part 2: Reporting Guidance

Reporting Requirements

Recipients with a population exceeding 250,000 residents submit:

	1. Interim Report	2. Project and Expenditure Report	3. Recovery Plan
Contents	• Initial overview of status and uses of funding	• Types of projects funded • Financial data • Information on contracts, grants, and subawards over $50,000	• Approach and objectives • Descriptions of funded projects • Performance and evidence information • Promoting equity
Frequency & Submission Date	• One-time • By August 31, 2021 • Covers date of award through July 31, 2021	• Quarterly • By October 31, 2021 and 30 days after the end of each quarter thereafter	• Annually • By August 31, 2021 (covering award through July 31, 2021) and annually thereafter

Key Concept: Expenditure Category

An Expenditure Category (EC) is a coding system to track how funding is used, and will also be used to identify where additional programmatic data is required.

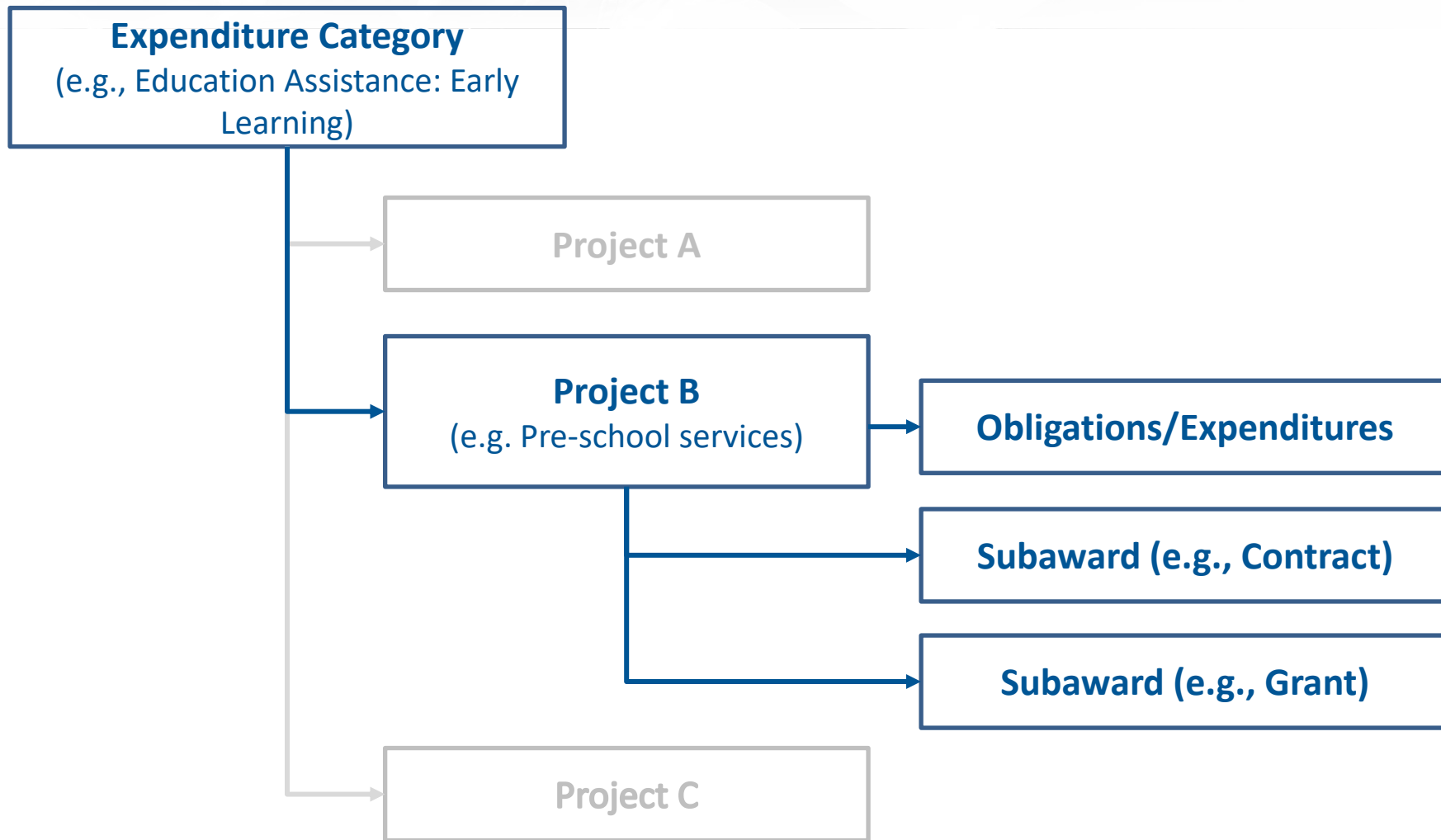Appendix 1 includes a list of 66 Expenditure Categories.

1: Public Health	
1.1	COVID-19 Vaccination ^
1.2	COVID-19 Testing ^
1.3	COVID-19 Contact Tracing
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)*
1.5	Personal Protective Equipment
1.6	Medical Expenses (including Alternative Care Facilities)
1.7	Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency
1.8	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)
1.9	Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19
1.10	Mental Health Services*
1.11	Substance Use Services*
1.12	Other Public Health Services

Key Concepts: Projects

Projects:

- Closely related activities toward a common purpose/goal
- New or existing services or investments
- Funded in whole or in part by SLFRF funding

- Each project must align to one Expenditure Category. Projects break down an Expenditure Category into more detail.

- Recipients have flexibility to define their projects – but must provide a sufficient level of detail to be able to report on specific activities for each project, including any required program reporting.

Key Concepts: Relationships


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Expenditure Category
(e.g., Education Assistance: Early
Learning)
    ├─────→ Project A
    │
    ├─────→ Project B              ───→ Obligations/Expenditures
    │       (e.g. Pre-school services)
    │                              ───→ Subaward (e.g., Contract)
    │
    │                              ───→ Subaward (e.g., Grant)
    └─────→ Project C
```

Part 2C: Recovery Plan

Provide information on how recipients are using program funding to achieve outcomes in an effective, efficient, and equitable manner.

- The first report is due August 31, 2021.

- Posted on the recipients' public-facing website and submitted to Treasury.

- Key data from Recovery Plan will also be entered into Treasury reporting system.

Part 2C: Recovery Plan

Minimum requirements of the Recovery Plan include:

Narrative description of how funds will be used

- Executive Summary
- Use of Funds
- Promoting Equitable Outcomes
- Community Engagement
- Labor Practices
- Use of Evidence

Project inventory

- Table of Expenses by Expenditure Category
- Project Inventory

Program data and performance indicators

- Performance Report
- Required Performance Data
- Ineligible Activities: Tax Offset Provisions

1.C.3: Promoting Equitable Outcomes

Describe how funds will promote racially and economically equitable outcomes:

- Goals for improving equity
- Barriers to services for communities and individuals
- Track progress and assess outcomes

Describe specific equity strategies for services or programs in Negative Economic Impacts (EC 2) and Services to Disproportionately Impacted Communities (EC 3)

Equity defined in President Biden's Executive Order on Executive Order 13985, On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government

Community Engagement and Labor Practices

1.C.4: Community Engagement

- Gather feedback from diverse constituents and community-based organizations

- Carry out projects that build community capacity and reach underserved populations

1.C.5: Labor Practices:

- Promote effective and efficient delivery of high quality infrastructure projects

1.C.6: Evidenced-Based Interventions

Identify amount of project funds allocated to evidence-based interventions OR if undergoing rigorous program evaluation.

Applies to most Expenditure Categories in:
- Public Health (EC 1)
- Negative Economic Impacts (EC 2)
- Services to Disproportionately Impacted Communities (EC 3)

Encouraged to use Learning Agendas and relevant evidence Clearinghouses to assess the level of evidence for your interventions.

Evidence defined in Appendix 2

1.C.9: Performance Report

Key performance indicators for each project (or a group of projects), including:
- **Output measures** describe what was produced or services delivered
- **Outcome measures** the impact of the project and progress towards project goals

Measures determined by recipients

Funds may be used to improve to data or technology infrastructure, data analytics, capacity, and perform program evaluations.

1.C.10: Required Performance Indicators

Mandatory performance indicators for projects in the following areas:

a. Household Assistance (EC 2.2 & 2.5) and Housing Support (EC 3.10-3.12):
- Number of people or households receiving eviction prevention services (including legal representation)
- Number of affordable housing units preserved or developed

b. Negative Economic Impacts (EC 2):
- Number of workers enrolled in sectoral job training programs
- Number of workers completing sectoral job training programs
- Number of people participating in summer youth employment programs

c. Education Assistance (EC 3.1-3.5):
- Number of students participating in evidence-based tutoring programs

d. Healthy Childhood Environments (EC 3.6-3.9):
- Number of children served by childcare and early learning
- Number of families served by home visiting

1.C.11: Ineligible Activities: Tax Offset Provision

SLFRF funding is not used for deposits into pensions or to offset a reduction in new tax revenue,

States and territories will report actual tax revenue and calculating tax revenue for the fiscal year ending 2019:
- If available, recipients should report audited financial information

Per Interim Final Rule, Treasury is seeking comment on reporting requirements related to this provision

Part 2A: Interim Report

Initial overview of status and funding (covering spending from March 3 to July 31, 2021) and is due August 31, 2021.

One-time report to provide obligations and expenditures by Expenditure Category:
- Requires a breakdown by all Expenditure Categories (e.g., 1.1 COVID-19 Vaccination)
- Do not need a breakdown by project

Example

ID	Category	Cumulative Obligations to Date	Cumulative Expenditures to Date
1	Public Health		
1.1	COVID-19 Vaccination	$1,000,000	$800,000
1.2	COVID-19 Testing	$1,800,000	$1,100,000
1.3	COVID-19 Contact Tracing		
1.4	Prevention in Congregate Settings	$3,498,000	

Part 2A: Interim Report

Required Programmatic Data includes:

Revenue Replacement	• Revenue replacement formula and other revenue calculation details and exclusions • If available, use audited data • Description of services provided
Distributions to NEUs (States and territories only)	• Disclosure of distributions to NEUs to determine appropriate funding disbursements to NEUs

Part 2B: Project and Expenditure Report

Project and Expenditure Reports include projects and contracts, grants, and subawards over $50,000. First report is due on **October 31, 2021**, and **30 days** after the end of each quarter thereafter.

Projects and Expenditures
- Project Inventory
- Expenditures
- Project Status
- Project Demographic Distribution
- Civil Rights Compliance

Subawards
- Subawards

Program data
- Required Programmatic Data
- Required Programmatic Data (for infrastructure)
- Distributions to NEUs (States and territories only)

Part 2B: Project and Expenditure Report- Project Demographic Distribution

Identify whether or not the project is serving an economically disadvantaged community, based if program or service is:

- Provided at a physical location in a Qualified Census Tract (QCT)
- Primary intended beneficiaries live within a QCT
- Eligibility criteria are such that the primary intended beneficiaries earn less than 60 percent of the median income; or
- Eligibility criteria are such that over 25 percent of intended beneficiaries are below the federal poverty line.

Part 2B: Project and Expenditure Report- Programmatic Data (Non-Infrastructure Projects)

Provide specific programmatic data requirements for non-infrastructure projects for each Expenditure Category, including:

- Payroll for Public Health and Safety Employees

- Household Assistance

- Small Business Economic Assistance

- Aid to Travel, Tourism, and Hospitality or Other Impacted Industries

- Rehiring Public Sector Staff

- Education Assistance

- Premium Pay

- Revenue Replacement

Part 2B: Project and Expenditure Report- Programmatic Data (Infrastructure Projects)

Infrastructure projects must report detailed project level information, location, and expenditure data

All Water, Sewer, and Broadband infrastructure projects over $10m must also report:
- Number of employees/contractors
- Number of direct or third party hires
- Wages/benefits by worker classification
- Whether wages are at prevailing page

Recipients must also report:
- Detailed information on the wages and benefits provided, and how they will ensure a ready supply of skilled and unskilled labor, minimize the risk of labor disputes, and ensure a safe and healthy workplace.
- Some additional reporting requirements may be waived for recipients who can certify compliance with Davis-Bacon or certify they have entered into a Project Labor Agreement.

Treasury Submission Portal and Training

- Information submitted via Treasury Submission Portal.

- Detailed User Guide and reference materials will be provided

- Technical assistance webinars to support recipients' reporting requirements.

- Further communications to be posted on Treasury's website.

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Q&A

Thank you

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