Kansas
Office of the Governor
Office of Recovery

As of February 25, 2022

American Rescue Plan Act of 2021 (ARPA)

Coronavirus Local Fiscal Recovery Funds (CLFRF)

State of Kansas Supplemental Frequently Asked Questions (FAQs)

The following topics are applicable to Non-entitlement Units of Local Government (NEUs) in the State of Kansas (SOK).

A. What are NEUs?	- An NEU is a city with a population of less than 50,000. Under federal law, generally, a "metropolitan city" is defined as a city with a population greater than or equal to 50,000. Under the provisions of ARPA, NEUs are Non-entitlement Units of Local Government, or a city that is not a metropolitan city. - A list of known NEUs, made up of incorporated cities, is posted on the Office of Recovery website here. - Kansas, along with 7 other states (Illinois, Indiana, Missouri, Nebraska, North Dakota, Ohio, and South Dakota) were identified as weak-minor civil divisions ("MCD") states. MCDs generally play less of a governmental role but are still active governmental units. Kansas was required, by Treasury, to undertake a "facts-and-circumstances" test to determine eligibility of the MCDs based on their legal and operational capacity to accept ARPA funds and a requirement that MCDs provide a broad range of services that would constitute eligible uses under ARPA. - Per review of annual budgets, the Local Government entities below were categorically excluded due to a lack of evidence of operational capacity and a lack of evidence that entities provide a "broad range of services that would constitute eligible uses under ARPA." - In addition to the Treasury's eligibility compliance requirements, the majority of townships exceeded the 75% budget allocation cap, which would have resulted in funds in excess of $25M returned to Treasury. The Governor will recommend from SPARK a set aside of SFRF dollars for townships who did not receive LFRF dollars for eligible projects.
B. What are "local governments"?	- For the purpose of the SOK ARPA fund distributions, a "local government" means any SOK metropolitan city (population of 50,000 or greater), a county or a NEU.

C. Are there requirements to prove revenue loss or any other eligibility requirements to receive funds?	- No, experiencing revenue loss is not a pre-requisite for receiving funds. Accounting for revenue loss is one possible use of funds, not a requirement. - There are no other eligibility requirements for receiving these funds.
D. Can NEUs decline the distribution? If so, how do NEUs communicate the decision to decline funds?	- Yes. NEUs can decline receipt of the awards by submitting an application and marking opt out. - If a State receives this opt-out notification from an NEU, and subsequently declines funding using Treasury's standard notice form, funds will be transferred to the State under Section 603(c)(4) of the Act. - This is pending final guidance and a standard notice form from Treasury. Additional information can be found here: https://home.treasury.gov/system/files/136/NEU_Guidance.pdf
E. Can the NEU choose the distribution payment method (i.e. check or ACH)?	- The SOK will remit all distributions electronically via ACH to ensure timely and trackable delivery. - Gas tax payment account will be used for remittance.
F. How was each NEU's distribution calculated?	- The allocation to NEUs was based on the proportion the population of the NEU bears to the total population of all the NEUs in the SOK, subject to a cap that is not to exceed 75 percent of the most recent budget for the NEU as of January 27, 2020.
G. Do eligible Non-Entitlement Units (NEUs) of Local Government have to have a valid DUNS number in order to receive their allocation from the State of Kansas?	- Yes, NEUs do not have to have a valid DUNS in order to receive their initial allocation of funding from the State of Kansas but per Treasury guidance: "Non-entitlement units must have a valid DUNS number to meet reporting the requirements under the program. If an entity does not have a valid DUNS number, please visit https://fedgov.dnb.com/webform/ or call 1-866-705-5711 to begin the registration process." - In addition to DUNS, NEUs will be required to submit several other pieces of information. A complete list can be found at: https://home.treasury.gov/system/files/136/NEU_Checklist_for_Requesting_Initial_Payment.pdf

H. What are some recommendations for efficient and allowable uses to minimize the long-term reporting requirements?	- Generally speaking, projects that result in multiple subrecipients and/or vendors will incur greater reporting and compliance requirements. Additionally, the utilization of the revenue replacement and qualified census tract provisions will also require significant administrative and reporting efforts. Use of funding to provide beneficiary payments such as financial relief payments to residents or investments in one-time water and sewar infrastructure will generally reduce the overall administrative workload. - However, recipients are permitted to opt for a standard allowance of $10 million to be used over the course of the program for reinvestment in government services. Specifically, in the Final Rule, recipients will be permitted to elect a fixed amount of loss that can then be used to fund government services. This fixed amount, referred to as the "standard allowance," is set at $10 million total for the entire period of performance. This addition will promote administrative efficiency and simplify the revenue loss calculation for most recipients. Treasury intends to amend its reporting forms to provide a mechanism for recipients to elect to utilize either the revenue loss formula or the standard allowance, in addition to other changes made as part of the final rule. (See Final Rule pp. 247).
I. Do NEUs need to have agreements approved by governing bodies prior to the distribution of funds?	- The U.S. Department of the Treasury is requiring that the authorized representative of the jurisdiction sign and return both the Award Terms and Conditions for Non-entitlement Units of Local Government and the Assurances of Compliance with Title VI of the Civil Rights Act of 1964. Treasury does not require that the agreements be approved by governing bodies so it would be up to the local jurisdiction to determine if the authorized representative has the authority to sign or if they need to go to the governing body for approval.
J. Can cities hire an external consultant to submit the request for funds on their behalf?	- The NEUs authorized representative will have to sign the documents but does not need to actually submit the request for initial payment. This is not a competitive application so doesn't necessarily warrant the use of an external consultant but certainly an NEU is free to engage a consultant if that is their preference.

K. Are NEU funds for expenses going forward or can it be used for expenses previously?	- The covered or allowable period for this program began on March 3, 2021 so NEUs would be able to reimburse expenses previously incurred back to that date. Exceptions exist for providing assistance to households and premium pay as described on page 5 of the Compliance and Reporting Guidance - https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf. -
L. What is the process for NEUs to receive funds from the SOK?	- A link to apply for American Rescue Plan Act (ARPA) Local Fiscal Relief Funds (LFRF), awarded by the U.S. Department of Treasury and disbursed from the State of Kansas was sent directly to the contacts on file for each NEU. - The Contact Us form should be used to request additions to, or removal of, subscriptions to the listserv, using the drop-down category of "Contact Information Update". - In addition to DUNS, NEUs will be required to submit several other pieces of information. A complete list can be found at: https://home.treasury.gov/system/files/136/NEU_Checklist_for_Requesting_Initial_Payment.pdf - Applications submitted successfully will be confirmed through an automated DocuSign email with executed PDF forms attached.
M. What happens if an NEU is non-responsive regarding their funds?	- If a NEU is non-responsive or does not formally decline the awards, funding goes to an allocation that is redistributed to all NEUs in a supplemental first tranche payment. - This is pending final guidance from Treasury. Additional information can be found here: https://home.treasury.gov/system/files/136/NEU_Guidance.pdf

The following topics are applicable to all local governments in the State of Kansas (SOK):

1. What are the certification requirements?	- For metropolitan cities and counties - In order to receive the ARP funding allocation a certification (signed by an authorized officer) must be submitted directly to the U.S. Treasury from the metropolitan city or county. - For NEUs – The SOK will submit one certification on behalf of all NEUs.
2. How can ARPA funds be used?	- ARPA direct funding to state and local governments can be used to: i. Respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to: 1. Households, small businesses, and nonprofits 2. Aid to impacted industries (e.g. tourism, travel, and hospitality) ii. Provide premium pay or grants to workers performing essential work during the pandemic. iii. Allowing funds for payroll and covered benefits associated with increasing public sector employment up to 7.5% above its pre-pandemic baseline (See Final Rule pp. 383). 1. Additional funds for employees that experienced pay reductions or were furloughed are permissible under the Final Rule. 2. Recipients may also use funds to avoid layoffs, provide worker retention incentives, and pay for ancillary administrative costs related to hiring and retention programs. (See Final Rule pp. 184). iv. Provide government services to the extent of reduction in revenue due to COVID-19 relative to revenues collected in most recent full fiscal year. v. Make necessary investments in water, sewer, or broadband infrastructure.
3. Can ARPA funds be used to hire new staff?	- Yes, the Final Rule (pp. 179-180) includes as an eligible use re-hiring public sector staff up to the government's level of pre-pandemic employment. "Public sector staff" would not include individuals participating in a job training or subsidized employment program administered by the recipient. - The Final Rule provides two options to restore pre-pandemic employment: • "Under the first and simpler option, recipients may use SLFRF funds to rehire staff for pre-pandemic positions that were unfilled or were eliminated due the pandemic without undergoing further analysis.

	• Under the second option, the final rule provides recipients an option to hire above the pre-pandemic baseline by adjusting the pre-pandemic baseline for historical growth in public sector employment over time, as well as flexibility on roles for hire." - "Recipients may choose between these options but cannot use both."
4. Are there any restrictions on the use of funds?	- This 'Restrictions on Use' section describes limitations and restrictions on the use of funds. (Please See, Final Rule pp. 314-348 for more comprehensive descriptions on ineligible uses.) These restrictions include: offsetting a reduction in net tax revenue; deposits into pension funds; debt service and replenishing reserves; settlements and judgments; general restrictions. - These restrictions apply to all eligible use categories; however, some restrictions apply only to certain types of recipient governments, and recipients are advised to review the Final Rule to determine which restrictions apply to their type of government (e.g., state, territory, tribal government, county, metropolitan city, or non-entitlement unit of government). - Treasury's Final Rule also provides more information on four important restrictions on use of SLFRF award funds: for states and territories only, funds may not be used to offset directly or indirectly a reduction in net tax revenue resulting from a change in state or territory law; for all recipients except Tribal governments, funds may not be used for deposits into a pension fund; for all recipients, funds may not be used for debt service or replenishing financial reserves and; all recipients must also comply with three general restrictions. • First, a recipient may not use SLFRF funds for a program, service, or capital expenditure that conflicts with or contravenes the statutory purpose of ARPA, including a program, service, or capital expenditure that includes a term or condition that undermines efforts to stop the spread of COVID-19. • Second, recipients may not use SLFRF funds in violation of the conflict-of-interest requirements contained in the Award Terms and Conditions, including any self-dealing or violation of ethics rules. • Lastly, recipients should be aware that federal, state, and local laws and regulations, outside of SLFRF program requirements, also apply, including, for example, environmental laws and federal civil rights and nondiscrimination requirements, which include prohibitions on discrimination based on race, color, national origin, sex (including sexual orientation and gender identity), religion, disability, age, or familial status (having children under the age of 18).

	- The Program Administration Provisions section describes the processes and requirements for administering the program on an ongoing basis, specifically as it relates to the following: distribution of funds; timeline for using funds; transfer of funds from a recipient to different organizations; use of funds for program administration; reporting on the use of funds; and remediation and recoupment of funds used for ineligible purposes. - Of note, SLFRF funds may only be used for costs incurred within a specific time period, beginning March 3, 2021, with all funds obligated by December 31, 2024, and all funds spent by December 31, 2026. Recipients are also advised to consult Treasury's Reporting and Compliance Guidance for additional information on program administration processes and requirements, including the applicability of the Uniform Guidance. (See Final Rule pp. 9-11).
5. What is the timeframe for spending the funds?	- Funds provided by ARPA are designated to cover costs incurred by December 31, 2024. - Jurisdictions should refer to Treasury FAQ number 6.2 for the latest guidance which indicates that funding must be obligated by December 31, 2024 but will remain available for expenditure and liquidation through December 31, 2026. - The final rule defines costs incurred as: "In recognition of this, Treasury is interpreting the requirement in section 602 and section 603 that costs be incurred by December 31, 2024, to require only that recipients have obligated the Fiscal Recovery Funds by such date." - "The period of performance will run until December 31, 2026, which will provide recipients a reasonable amount of time to complete projects funded with Fiscal Recovery Funds."
6. What is the timeline for receiving funds?	- Funds will be distributed to local governments and the SOK in two tranches (portions): • The first tranche will equal 50 percent of the total allocation and must be issued by the U.S. Treasury within 60 days of bill enactment (March 11, 2021), pending submission of certification by local governments and SOK on the behalf of the NEUs. • The second tranche (the remaining 50 percent of the total allocation) is to be released by U.S. Treasury no earlier than 12 months after first tranche payment. - NEUs should receive their first tranche distribution from the SOK by 7/31/21, within 30 days of the SOK's receipt from the U.S. Treasury, including a 30-day extension.
7. What are the reporting expectations?	- The provisions of ARPA require any local government to provide periodic reports to the U.S. Treasury providing a detailed accounting of the use of funds and any other information the Secretary of the Treasury may

require (See Treasury FAQ Section 9). Local government that do not comply with any provision of the ARPA will be required to repay the U.S. Treasury an amount equal to the amount of funds used in violation (Please see: Treasury FAQ Section 9).

- Financial records and supporting documents related to the award must be retained for a period of five years after all funds have been expended or returned to Treasury, whichever is later.
- Recipients will be required to submit an interim report, project and expenditure reports, and annual Recovery Plan Performance Reports regarding their utilization of Coronavirus State and Local Fiscal Recovery Funds.
    - **The interim report** are to be submitted by State (defined to include the District of Columbia), territorial, metropolitan city, county, and Tribal governments and will include a recipient's expenditures by category at the summary level and for states, information related to distributions to non-entitlement units of local government must also be included in the interim report. The interim report covered activity from the date of award to July 31, 2021 and were due to Treasury by August 31, 2021 or 60 days after receiving funding if funding was received by October 15, 2021. Non-entitlement units of local government were not required to submit an interim report.
    - **Project and Expenditure reports** are to be submitted by State (defined to include the District of Columbia), territorial, metropolitan city, county, and Tribal governments. This report will include financial data, information on contracts and subawards over $50,000, types of projects funded, and other information regarding a recipient's utilization of award funds.
- Reports will be required quarterly for the following recipients:
    - States and territories
    - Metropolitan cities and counties with population over 250,000
    - Metropolitan cities and counties with population less than 250,000 that received an award of more than $10 million
    - Tribal governments that received an award of more than $30 million.
- The initial project and expenditure report for quarterly recipients will be due January 31, 2022 and will cover the period of March 3, 2021 to December 31, 2021. The subsequent quarterly reports will cover one calendar quarter and must be submitted to Treasury within 30 days after the end of each calendar quarter.

- And reports will be required annually for the following recipients:
    - Metropolitan cities and counties with population less than 250,000 that received an award less than $10 million,
    - Tribal governments that received an award less than $30 million
    - Non-entitlement units of government
- The initial project and expenditure report for annual filers will be due April 30, 2022 and will cover the period of March 3, 2021 to March 31, 2022. The subsequent annual reports must be submitted to Treasury by April 30 each year. The reports will include the same general data as those submitted by recipients of the Coronavirus Relief Fund, with some modifications to expenditure categories and the addition of data elements related to specific eligible uses.
- **Recovery Plan Performance Reports**: States (defined to include the District of Columbia), territories, metropolitan cities, and counties with a population that exceeds 250,000 residents will also be required to submit an annual Recovery Plan Performance Report to Treasury. This report will include descriptions of the projects funded and information on the performance indicators and objectives of each award, helping local residents understand how their governments are using the substantial resources provided by Coronavirus State and Local Fiscal Recovery Funds program. The initial Recovery Plan Performance Report will cover activity from date of award to July 31, 2021 was due to Treasury by August 31, 2021 or 60 days after receiving funding. Thereafter, the Recovery Plan Performance Reports will cover a 12-month period and recipients will be required to submit the report to Treasury within 30 days after the end of the 12-month period. The second Recovery Plan Performance Report will cover the period from July 1, 2021 to June 30, 2022 and must be submitted to Treasury by July 31, 2022. Each annual Recovery Plan Performance Report must be posted on the public-facing website of the recipient. Local governments with fewer than 250,000 residents, Tribal governments, and non-entitlement units of local government are not required to develop a Recovery Plan Performance Report.
- Please note, these reports will be due on the following dates:

Expenditure Period	***Report Submission Due***
September 1 – October 31	*November 15, 2021*
September 1 – November 30	*December 15, 2021*
September 1 – December 31	*January 15, 2022*
September 1 – January 31	*February 15, 2022*
September 1 – February 28	*March 15, 2022*

8. How is revenue loss defined?

- Revenue loss is a reduction in revenue due to COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency. Jurisdictions should refer to [Treasury FAQs Section 3](#) for the most up to date guidance.

- Revenue loss is calculated on an aggregate basis rather than source-by-source or fund-by-fund to best capture the financial health of recipients and the impact of the public health emergency on revenue. Recipients are responsible for the distribution of SLFRF and may elect to distribute funds into eligible areas that experienced significant revenue reduction (See Final Rule pp. 248-249). The Final Rule provides the following guidance:
    - Allows for a standard allowance for revenue loss of $10 million, allowing recipients to select between a standard amount of revenue loss or complete a full revenue loss calculation.
    - Using data on a cash, accrual, or modified accrual basis to calculate revenue loss is permissible so long as recipients remain consistent with choice. (See Final Rule pp. 258).
    - Recipients that select the standard allowance may use that amount for government services.
    - Treasury is providing recipients the option to calculate revenue loss on a calendar year or fiscal year basis, which will allow recipients the administrative flexibility to minimize administrative burdens based on the data available to them (See Final Rule pp. 248-249).
    - For purposes of measuring revenue growth in the counterfactual trend, recipients may use a growth adjustment of 5.2 percent, previously 4.1 percent in the Interim Final Rule, per year or the recipient's average annual revenue growth over the three full fiscal years prior to the COVID-19 public health emergency, whichever is higher. (See Final Rule pp. 237).

9. What is premium pay?

- Premium pay is a form of incentive payment or hazard pay for individuals completing essential services. ARPA states that premium pay can be made up to $13 per hour, and that premium amount may not exceed $25,000 with respect to any single eligible worker.
- Premium pay can be for public employees or by providing grants to eligible employers that have eligible workers who perform essential work.
- Premium pay must include the payment in gross income as compensation for services. Section 139 of the Code excludes qualified disaster relief payments from an individual's gross income, but payments in the nature of compensation for services are not treated as qualified disaster relief payments. Premium pay is in the nature of compensation for services and therefore is not excludable as a qualified disaster relief payment. If you are performing services as an employee, whether as an employee of the state/local government or another entity, the premium pay is also generally considered wages and is subject to withholding of applicable taxes.

	- Premium pay must include the payment in gross income as compensation for services. Regardless of whether an amount is paid to you by your state/local government, or by your employer, a payment that is in the nature of compensation for services is not excludable as a qualified disaster relief payment under section 139 of the Code. If you are performing services as an employee, the premium pay is also generally considered wages and is subject to withholding of applicable taxes. - Premium pay amounts paid to employees are considered wages. Employers generally must withhold federal income tax as well as social security tax and Medicare tax from employees' wages. (Employers also may have to pay federal unemployment tax on the wages.) More information on withholding federal income tax, social security tax, and Medicare tax can be found in Publication 15, Employer's Tax Guide. Premium pay that is paid at a regular hourly rate for the current payroll period is considered a regular wage for purposes of federal income tax withholding. This means that, in determining the amount of federal income tax to withhold from wages, the employer should apply the entries on the employee's Form W-4 according to the procedures detailed in Publication 15-T, Federal Income Tax Withholding Methods, to determine the amount of federal income tax to withhold from premium pay. - Jurisdictions should refer to Treasury FAQs Section 5 for the most up to date guidance
10. What other funding is Kansas receiving?	- In addition to approximately $1B for local governments, Kansas is expected to receive approximately $1.6B in State funding, as well as $2.3B in funding for state agencies.
11. Can an entity partner with the state on a project?	- Yes, the SOK will collaborate with cities and counties for projects. Email recovery@ks.gov with any questions or suggestions. - Monitor the Recovery Office website (https://covid.ks.gov/) for forthcoming forms to submit questions and suggestions.
12. What are the major areas of compliance a local government should be considering as planning efforts for spending begin?	- Within the Code of Federal Regulations, Title 2 addresses Grants and Agreements. Specifically, Title 2 → Subtitle A → Chapter II → Part 200 is the link to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Part 200). - The SOK will provide additional resources and guidance to establish a foundational knowledge of these requirements, but local governments should gain familiarity with these requirements as they begin assessing needs and should leverage a CPA for additional consultation. - Jurisdictions should refer to the Treasury Compliance and Reporting Guidance document for the most up to date information - https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf

13. What are the audit implications for these awards?	- Keep in mind that a non-Federal entity that expends $750,000 or more during the non-federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of Part 200. - Jurisdictions should refer to Treasury FAQs Section 9 for the most federal current guidance. See also the Treasury Compliance and Reporting Guidance. As of January 2022. - - KSA 75-1117 et seq. provides the audit requirements for the SOK. Federal awards are considered in calculating gross receipts and could impact the NEUs audit requirement. i. Any NEU with aggregate annual gross receipts exceeding $275,000 but less than $500,000 is subject to an Agreed Upon Procedures (AUP) review. ii. Any NEU with aggregate annual gross receipts exceeding $500,000 is subject to a regulatory basis or Generally Accepted Accounting Principles (GAAP) audit. - Recipients should note that non-entitlement units of local government (NEUs) are not subrecipients under the SLFRF program. They are SLFRF recipients that will report directly to Treasury. Recipients should also note that subrecipients do not include individuals and organizations that received SLFRF funds as end users to respond to the negative economic impacts of COVID-19 on these organizations. Such individuals and organizations are beneficiaries and not subject to audit pursuant to the Single Audit Act and 2 C.F.R. Part 200, Subpart F
14. What pre-award actions should Kansas Counties and Metropolitan Cities be taking while waiting for the formal launch of the Coronavirus Local Fiscal Recovery Funds (CLFRF) Program?	- Counties and Metropolitan Cities who will receive their allocation of CLFRF Program funding directly from Treasury should take the following actions as soon as possible: - Ensure the entity has a valid DUNS number. If an entity does not have a valid DUNS number, please visit https://fedgov.dnb.com/webform/ or call 1-866-705-5711 to begin the registration process. - Ensure the entity has an active SAM registration. If an entity does not have an active SAM registration, please visit, SAM.gov to begin the entity registration or renewal process. - Gather the entity's payment information, including: • Entity Identification Number (EIN), name, and contact information • Name and title of an authorized representative of the entity • Financial institution information (e.g., routing and account number, financial institution name and contact information)
15. What is a qualified census tract?	- Qualified Census Tracts are those in which 50% or more of the households are income **eligible** and the population of all **census tracts** that satisfy this criterion does not exceed 20% of the total

	population of the respective area. Qualified Census Tract information can be found at: https://www.huduser.gov/portal/sadda/sadda_qct.html.
16. Are there restrictions on use of funds for mental health and behavioral health?	- The program covers an expansive array of services for prevention, treatment, recovery, and harm reduction for mental health, substance use, and other behavioral health challenges caused or exacerbated by the public health emergency" (See Final Rule pp. 67). Treasury provides the following guidance: Recipients can identify the impacted population as the general-public (See Final Rule pp. 67). Eligible uses of funds may include services typically billable to insurance or services not typically billable to insurance (See Final Rule pp. 68). Treasury highlights several ways that funds may be used to respond to opioid use disorder and prevent overdose mortality. (See Final Rule pp. 68-69). - Additionally, it is extremely important when moving forward with programmatic decision-making that the various aspects of the program are reviewed for eligibility, reviewed to ensure that the CLFRF funds are not duplicating other federal funds, that the appropriate internal controls are put into place to protect the county as they move forward, and that there is a nexus to COVID-19.
17. Are there restrictions on making new businesses (that did not exist prior to the pandemic) eligible for workforce programs (e.g., training, upskilling, direct payments)?	- There are many factors to consider when designing support structures for small businesses using CLFRF funds. Although aid to small businesses is an allowable expense under 602(c)(1)(A) of the ARPA, this assistance needs to have a nexus to COVID-19. Additionally, Treasury FAQ 14, issued in January 2022, states that "Recipients should maintain records to support their assessment of how businesses or business districts receiving assistance were affected by the negative economic impacts of the pandemic and how the aid provided responds to these impacts." So, while businesses opened during COVID-19 are not specifically precluded from receiving assistance, they do need to show that they were impacted by COVID-19. - Recipients must demonstrate that funding uses directly address a negative economic impact of the COVID-19 public health emergency, including funds used for economic or workforce development. For example, job training for unemployed workers may be used to address negative economic impacts of the public health emergency and be eligible. - Assistance to unemployed workers, including: • Subsidized jobs, including for young people. Summer youth employment programs directly address the negative economic impacts of the pandemic on young people and their families and communities;

	• Programs that provide paid training and/or work experience targeted primarily to (1) formerly incarcerated individuals, and/or (2) communities experiencing high levels of violence exacerbated by the pandemic; • Programs that provide workforce readiness training, apprenticeship or preapprenticeship opportunities, skills development, placement services, and/or coaching and mentoring; and • Associated wraparound services, including for housing, health care, and food.
18. Is employment status considered a requirement to access services and payments administered by the county or municipality using ARPA funds?	- No – there is not language stating that employment status is a requirement for accessing services and payments by the county using ARPA funds. However, the Final Rule (pp. 20), "Eligible uses to respond to the negative economic impacts of the public health emergency are organized based on the type of beneficiary: 1. assistance to households, 2. assistance to small businesses, and 3. assistance to non-profits, alongside a fourth standalone eligibility category for aid to travel, tourism, hospitality, and industries." (See Final Rule pp. 20). - "Treasury has determined that several enumerated uses included in the interim final rule for disproportionately impacted communities are directly responsive to negative economic impacts experienced by impacted households. In the final rule, these uses have been moved from "disproportionately impacted" to "impacted" households, accordingly, making these services available to both." (See Final Rule pp. 79). **Impacted Households** - Treasury will recognize a household as impacted if it otherwise qualifies for any of the following programs (See Final Rule pp. 41): • Children's Health Insurance Program (CHIP) • Childcare Subsidies through the Child Care and Development Fund (CCDF) Program • Medicaid • National Housing Trust Fund (HTF), for affordable housing programs only • Home Investment Partnerships Program (HOME), for affordable housing programs only" **Disproportionately Impacted Households** - Treasury will recognize a household as disproportionately impacted if it otherwise qualifies for any of the following programs (See Final Rule pp. 41-42): • Temporary Assistance for Needy Families (TANF)

	• Supplemental Nutrition Assistance Program (SNAP) o Free and Reduced-Price Lunch (NSLP) and/or School Breakfast (SBP) programs • Medicare Part D Low-income Subsidies • Supplemental Security Income (SSI) • Head Start and/or Early Head Start • Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) • Section 8 Vouchers • Low-Income Home Energy Assistance Program (LIHEAP) • Pell Grants • For services to address educational disparities, Treasury will recognize Title I eligible schools as disproportionately impacted and responsive services that support the school generally or support the whole school as eligible." - In addition, Treasury agrees that allowing recipients to identify impacted and disproportionately impacted beneficiaries based on their eligibility for other programs with similar income tests would ease administrative burden. (See Final Rule pp. 40).
19. Does water and infrastructure include storm repair? To what extent?	- Yes, Stormwater projects are included under the Clean Water Infrastructure Category. The Final Rule expands the list of eligible water and sewer infrastructure projects to include certain dam and reservoir rehabilitation projects, additional stormwater projects, private well projects, and a more comprehensive range of projects that remediate lead in water. (See Final Rule pp. 7). For eligible use matrix see Final Rule pages 276-288.
20. Are we limited in administering certain programs only to select Census tracts? If so, how do we ensure proper documentation and compliance?	- Treasury FAQ 2.11, as of **January 2022,** states, in recognition of the disproportionate impacts of the COVID-19 virus on health and economic outcomes in low-income and Native American communities, the Interim Final Rule identifies a broader range of services and programs that are in response to the public health emergency when provided in these communities. Specifically, Treasury will presume that certain types of services are eligible uses when provided in a Qualified Census Tract (QCT), to families living in QCTs, or when these services are provided by Tribal governments. Recipients may also provide these services to other populations, households, or geographic areas disproportionately impacted by the pandemic. In identifying these disproportionately impacted communities, recipients should be able to support their determination for how the pandemic disproportionately impacted the populations, households, or geographic areas to be served. Eligible services include:

	• Addressing health disparities and the social determinants of health, including: community health workers, public benefits navigators, remediation of lead paint or other lead hazards, and community violence intervention programs; • Building stronger neighborhoods and communities, including: supportive housing and other services for individuals experiencing homelessness, development of affordable housing, and housing vouchers and assistance relocating to neighborhoods with higher levels of economic opportunity; AS OF JANUARY 2022 • Addressing educational disparities exacerbated by COVID-19, including: early learning services, increasing resources for high-poverty school districts, educational services like tutoring or afterschool programs, and supports for students' social, emotional, and mental health needs; • Promoting healthy childhood environments, including: childcare, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth. - See Final Rule pp. 18 - While these activities are not limited from being administered outside of qualified census tracts, it is imperative that the county have clear policies, procedures, and guidelines in place to justify their programmatic decision making, document the eligibility of recipients, and have the proper controls in place to maintain compliance with federal funds.
21. What is the deadline for Counties requesting allocations?	- The final rule requires that costs be incurred by December 31, 2024. Eligible recipients are encouraged to apply as soon as possible. For recipients other than Tribal governments, there is not a specific application deadline. Tribal governments do have deadlines to complete the application process and should visit www.treasury.gov/SLFRPTribal for guidance on applicable deadlines.
22. Will entities have to establish bank accounts for these funds that cannot gain interest?	- No. CSFRF/CLFRF payments made by Treasury to states, territories, and the District of Columbia are not subject to the requirement of the Cash Management Improvement Act and Treasury's implementing regulations at 31 CFR part 205 to remit interest to Treasury. CSFRF/CLFRF payments made by Treasury to local governments and Tribes are not subject to the requirement of 2 CFR 200.305(b)(8)–(9) to maintain balances in an interest-bearing account and remit payments to Treasury.
23. Where can I find more information on the	- As of January 2022, the most current information available is contained on the U.S. Department of Treasury's Capital Projects Fund website at

Capital Improvements Funds?		https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/capital-projects-fund
24. What is the guidance for what are allowable grants to local non profits?	-	At this time the most useful resource is the Frequently Asked Question https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf) document issued by Treasury on May 10, 2021 and updated most recently on June 24, 2021. In particular sections 2-6.

Appendix:

Date Updated	Questions Updated	Content Updated
5/17/21	NEU questions A-F, general local government questions 1-14	Questions specific to NEU listed as letters, general local government questions as numbers
6/1/21	NEU questions G-H, general local government questions 1, 3, 5, 6 7, 15-24	New questions added following release of updated Treasury guidance, updates to questions 1, 3, 5, 6, 7, and 15-24
6/7/21	NEU questions I-K	New questions added following NEU webinar 6/3
7/7/21	NEU questions A, C, D, G, J, K, general local government questions 1, 3-5, 7, 17, 19-24	Updates to answers based upon updated Treasury guidance
8/16/21	NEU questions D, M and general local government questions 7, 8, 9, 12, 13, 19, 20	Updates to answers based on updated Treasury guidance New question (M) added following 8/4 webinar
2/25/22	NEU question H and general local government questions 2, 3, 4, 5, 7, 8, 9, 13, 16, 17, 18, 19, 20, 21, 23	Updates to answers based on the release of the US Department of Treasury SLFRF Final Rule