



**State and Local Fiscal Recovery
Funds (SLFRF)
NEU Project & Expenditure
Reporting Refresher**

Kansas Office of Recovery

April 4, 2024

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State and Local Fiscal Recovery Funds (SLFRF)

The State and Local Fiscal Recovery Funds (SLFRF) created through the American Rescue Plan Act (ARPA) provided \$350B of relief to States, Territories, Municipalities and Tribal Governments.

Purpose:

- Ensure public and social services are available and maintained amidst a global pandemic.
- Provide support to individuals and businesses financially impacted by COVID-19.
- Build strength and resiliency in communities as they recover from the impacts of the pandemic.

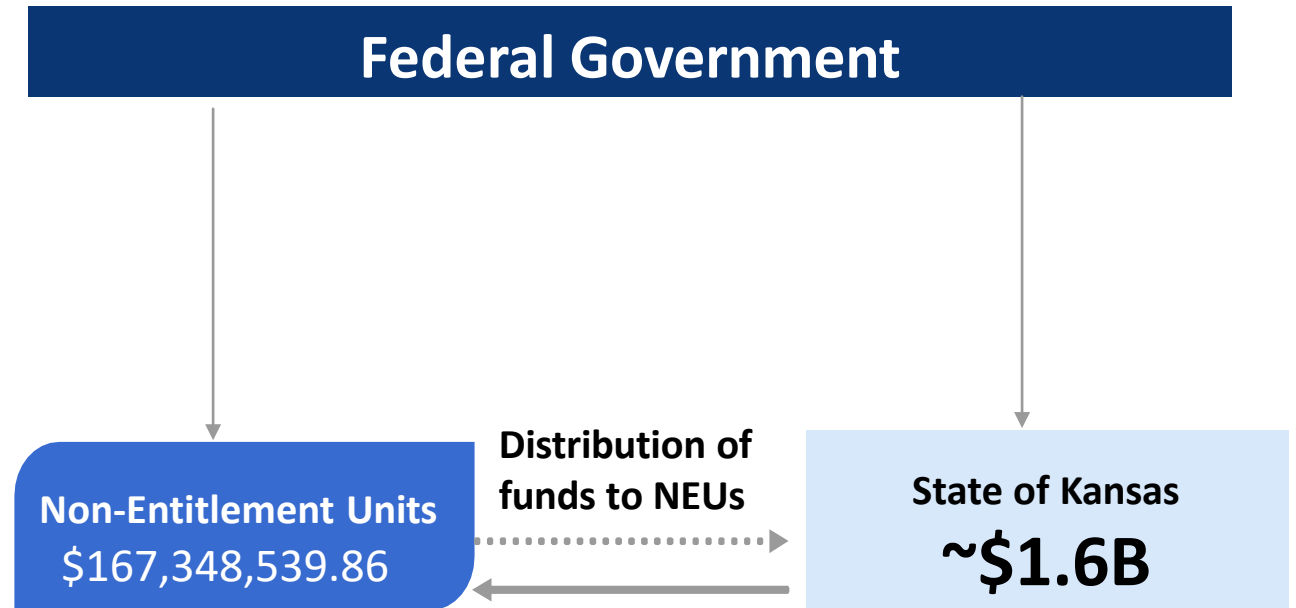
Distribution of SLFRF to NEUs

Non-Entitlement Units (NEUs), which are local governments typically serving a population under 50,000, are considered Tier 5 prime (direct) recipients of the ARPA SLFRF from the US Treasury.

The role of the State of Kansas is to distribute the funds to the NEUs on behalf of the Treasury, based on the Final Rule requirements. The State of Kansas does not act as a pass-through entity in regards to the distribution of SLFRF to NEUs.

The amount of each NEU's grant allocation is based on its population per Treasury guidance.

For more information on the Kansas SLFRF allocations, see <https://covid.ks.gov/>.



SLFRF Reporting, Obligation & Liquidation

SLFRF Reporting and Obligation Dates

Annual Project and Expenditure Report: NEUs receiving less than \$10M in SLFRF are ONLY required to report project and expenditures annually on **April 30th** through award closeout.

- First NEU reporting date was April 30, 2022, so NEUs should have two reports in their portals.
- Reporting Period: April 1st – March 31st.

Annual Recovery Plan Performance Report (not applicable for NEU's awarded less than \$10M): Due **July 31st** for States, Territories and Metropolitan Cities serving a population of more than 250,000.

- Reporting Period: July 1st-June 30th.

Obligation: All funds must be obligated (orders placed for property and services, contracts and subawards made, and similar transactions that require payment) by **December 31, 2024**. See next slide for exceptions.

Liquidation: NEUs have two years after the obligation deadline to liquidate funds. Obligations must be expended and liquidated by **December 31, 2026**.

- Surface Transportation and Title I project obligations must be liquidated by **September 30, 2026**.

Closeout: NEUs will be notified when Treasury releases the closeout process.

NOTE: All recipients must submit annually, even if no activity took place in the reporting period.



Treasury Update: Estimated Expenses

Under the Obligation Interim Final Rule (IFR), a recipient is considered to have incurred an obligation by December 31, 2024, with respect to a requirement under federal law or regulation or a provision of the SLFRF award terms and conditions to which the recipient becomes subject as a result of receiving or expending SLFRF funds.

Treasury is extending the deadline for recipients to report this estimate of costs to meet legal and administrative requirements to **July 31, 2024, for quarterly reporters, or April 30, 2025, for annual reporters.**

Estimated costs may include:

- Reporting and compliance requirements, including subrecipient monitoring.
- Single Audit costs.
- Record retention and internal control requirements.
- Property standards.
- Environmental requirements, including applicable requirements of the National Environmental Policy Act, section 106 of the National Historic Preservation Act, the Archaeological Resources Protection Act of 1979, and the Native American Graves Protection and Repatriation Act.
- Civil rights and nondiscrimination requirements.

Treasury Updates: Obligation & Amendments

A cost is considered to have been incurred once a recipient enters into a subaward, signs a contract that obligates the funds, or enters into a signed MOU agreement that meets defined criteria.

- Treasury considers MOUs and interagency agreements to constitute an obligation for purposes of the SLFRF rule if the agreement satisfies certain conditions.
- Treasury considers a recipient to have incurred an obligation with respect to personnel costs for an employee through December 31, 2026, to the extent the employee is serving in a position that was established and filled prior to December 31, 2024.

Replacing obligations of contracts or subawards made prior to December 31, 2024:

- In general, recipients cannot re-obligate funds or obligate additional SLFRF funds after the obligation deadline of December 31, 2024. However, if a contract entered into by December 31, 2024, expressly provides for change orders or contract contingencies, the recipient may use SLFRF funds to cover increased costs attributable to such change orders or contract contingencies. Such increased costs are not considered new obligations but are instead attributable to a preexisting obligation to accommodate the change or contingency.
- Additionally, recipients may cover the cost of amendments to contracts if the amended contract is within substantially the same scope and for substantially the same purpose as the contract that was incurred by December 31, 2024.
- The recipient may reclassify the SLFRF funds from the original activity to another project that would be eligible under the SLFRF program rules, including the requirement that the recipient incurred an obligation by December 31, 2024, to expend funds on the activity.

Updated SLFRF Eligible Spending Categories

SLFRF Eligible Spending Categories Updates

The new and updated eligible uses does not impact:

- **Administrative Expenses**
- **Public Health & Economic Impact** (Community & Public Sector Recovery; Aid to Impacted Households, Businesses/Industries & Non-Profits)
- **Water, Sewer & Broadband Infrastructure**

Updated Eligible Uses

Potential Expenditures

Premium Pay: The National Declaration of Emergency ended on April 10th, 2023. Premium pay and grants for eligible essential workers is allowable only for work performed within the dates of the declaration of emergency.

- Premium pay up to \$13 per hour not exceed \$25,000 to eligible workers for through **April 10, 2023.**

Emergency Relief from Natural Disasters to provide relief from the physical and economic impacts of natural disasters.

- Financial assistance for lost wages, or other immediate needs
- Obligations for Natural Disaster emergency relief must be expended by **September 30, 2026.**

Revenue Replacement.

- Updates explained on the next slide, slide 11.

Surface Transportation & Title I.

- Eligible expenditures explained on slide 12.

Expanded eligibility for **Affordable Housing** projects.

- Eligible expenditures explained on slide 13.



Revenue Replacement Updates

The 2022 Final Rule allowed recipients the option to claim up to \$10M of their SLFRF allocations, which Treasury termed the “standard allowance,” to replace lost revenue and use that funding to provide government services in lieu of calculating revenue loss.

The original SLFRF Final Rule explicitly stated that the choice between a revenue loss calculation was a one-time, irrevocable decision.

Recent updates from the Treasury now allows for recipients that would like to update their revenue loss determinations to be able to do so, as appropriate, through the April 2025 reporting period. **Upon update, any prior revenue loss election will be superseded.**

This update does not impact:

- The expenditure deadline of December 31, 2026.
- Eligibility to use SLFRF in the Revenue Replacement category to satisfy non-federal match requirements.
- Requirement to include as much detail as possible in their reporting, particularly as it relates to claiming the standard allowance and reporting how recipients used funds.

Surface Transportation and Title I

The 2023 Interim Final Rule added Surface Transportation and Title I projects as eligible SLFRF usage.

Surface Transportation and Title I Projects must:

- Be supplemental and not supplant other US Department of Transportation (USDOT) funds.
- Together, not to exceed the greater of \$10M or 30% of total award.
- Execute obligations by December 31, 2024.
- Expend obligations by September 30, 2026.

Surface Transportation Eligible Uses

- Supplementing Surface Transportation projects receiving funding from USDOT.
- Funding Surface Transportation projects not receiving funding from USDOT.
- Satisfying non-federal cost share or match requirements for certain Surface Transportation projects or repaying a loan provided under the Transportation Infrastructure Finance and Innovation Act (TIFIA) programs.

Title I Eligible Uses

- Any activities listed under section 105(a) of the Housing and Community Development Act of 1974.
- Non-federal cost share or match requirements of a federal financial assistance program in support of eligible activities under the Community Development Block Grant (CDBG) and Indian CDBG programs.

For more information regarding Surface Transportation & Title I projects, see section 16 of the [SLFRF Final Rule FAQs](#).

Affordable Housing Projects

The 2023 Interim Final Rule expanded the eligibility of affordable housing projects. Affordable housing projects are eligible if they are related and are reasonably proportional to addressing the negative economic impacts of the pandemic and otherwise meet the final rule's requirements and/or fall under one of two presumptions:

Presumption 1

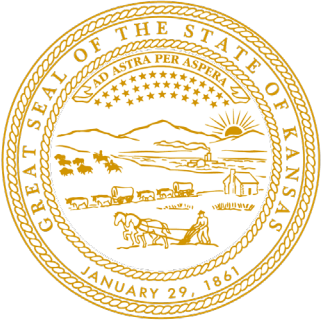
- Projects that are eligible to be funded under one of the federal housing projects listed on [SLFRF Final Rule FAQs](#).
- Projects providing financial assistance to a household benefiting from a loan guarantee under Section 502 Single Family Housing Guaranteed Loans.
- Projects participating or approved to participate in the Section 108 Loan Guarantee Program.
- Projects financed with Government Sponsored Enterprise loans through Fannie Mae or Freddie Mac.

Presumption 2

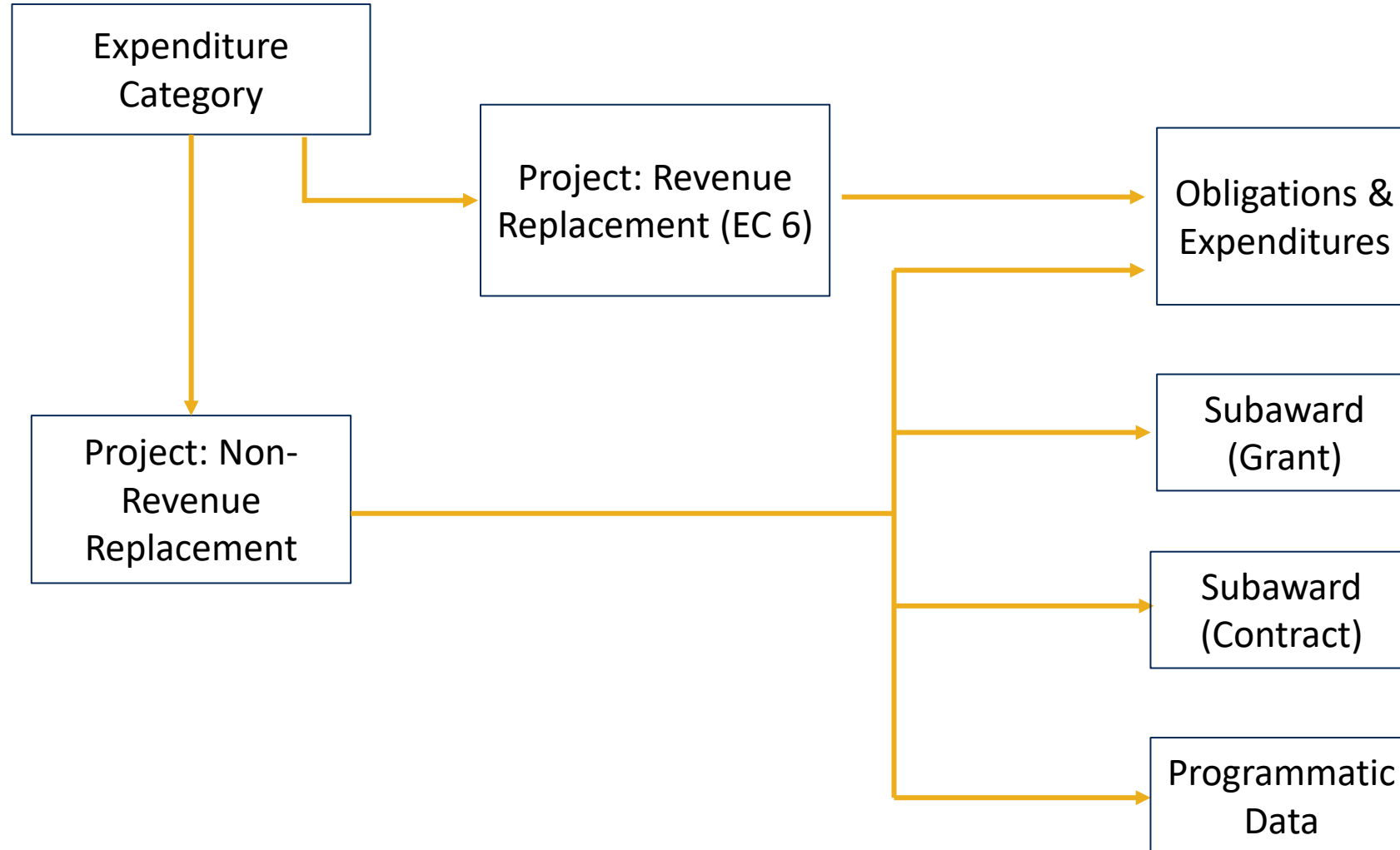
- The development, repair, or operation of any affordable rental housing unit with a maximum income of 120% area median income (AMI), as imposed through:
 - A covenant;
 - A land use restriction agreement; or
 - Other enforceable legal requirement for a period of at least 20 years.

Additional affordable housing guidance can be found on the [Affordable Housing How-To Guide \(treasury.gov\)](#) and [Housing Investments Fact Sheet](#).

Project & Expenditure Reporting



Project and Expenditure Reporting



Revenue Replacement

It is strongly recommended that Tier 5 (NEUs awarded less than \$10M) choose to use their SLFRF allocations towards Revenue Replacement. Revenue Replacement may be claimed through EITHER:

Recommended

- Standard allowance up to \$10M (not to exceed total award); or
- Complete revenue loss calculation.

Recent updates from the Treasury now allows for recipients that would like to update their revenue loss determinations to be able to do so, as appropriate, through the April 2025 reporting period. **Upon update, any prior revenue loss election will be superseded.**

Example 1: If a recipient awarded \$6M in SLFRF chooses to claim the maximum amount in revenue loss, they may spend its total allocation of \$6M under the revenue loss eligible use category toward the provision of government services.

Example 2: If a recipient awarded \$12M in SLFRF chose to claim the maximum amount in revenue loss, they may spend a total allocation of \$10M under the revenue loss eligible use category toward the provision of government services.



Pre-Reporting Checklist

- Ensure your NEU has obtained Unique Entity Identifier (UEI) through SAM.gov.
- Ensure the SLFRF Administrator has access to the Treasury Portal.
 - Ensure all User Roles are assigned to the correct point of contact.
- Assign all projects an applicable expenditure category.
- Collect and review all subaward, contract, and required data prior to the reporting deadline (April 30th).
 - Subaward UEIs
 - Contractor Taxpayer/Tax Identification Numbers (TINs)
 - Complete list of obligations & expenditures
- Review all applicable KS Office of Recovery & Treasury Resources.
- Review prior project and expenditure reports for accuracy.

Review Required Data

Non-Exhaustive List of SLFRF Project & Expenditure Required Information

All Projects			Non-Revenue Replacement	
Project Description	Obligations & Expenditures	Project Status	Contracts & Subawards	Additional Metrics
<ul style="list-style-type: none"> Detailed project descriptions 	<ul style="list-style-type: none"> Current period obligations Cumulative obligation Current period expenditures Cumulative expenditures 	<ul style="list-style-type: none"> Not started Completed less than 50% Completed 50% or more Completed 	Required for Contracts & Subaward over \$50,000 Project description <ul style="list-style-type: none"> UEI (Subawards) TIN (Contracts) Award amount Payment method Primary place of performance 	Treasury has identified additional reporting metrics for certain ECs. More information on the additional reporting requirements can be found on Appendix 1 (Pg. 49) of the <i>SLFRF Compliance and Reporting Guidance</i>

Recipients whose reported expenditure amounts match the total award amount will be asked **“Have you spent your full SLFRF award and are ready to close out the award?”** If “Yes”, recipients will still need to submit a final closeout report and await further instructions from the Treasury.

Project & Expenditure Reporting: Treasury Portal

Portal Access

- Login.gov (more user friendly)
- ID.me

Previous administrators may sign in using the portal access used in prior reports OR create a new portal login via Login.gov using the same email address used for ID.me.

User Designations

1. Account Administrator
2. Reporting Point of Contact
3. Authorized Representative

If you are having problems accessing the portal, or if new personnel need to get assigned a role, contact SLFRF@treasury.gov for portal support.



Kansas Office of Recovery & Treasury Resources



Information and Resources

Federal Resources and Regulations (with links)

American Rescue Plan Act of 2021 - [H.R.1319](#)

State and Local Fiscal Recovery Funds Frequently Asked Questions - [FAQs](#)

U.S. Department of the Treasury, SLFRF Compliance and Reporting Guidance - [Compliance and Reporting Guidance](#)

Electronic Code of Federal Regulations - Grants and Agreements - Part 200 - [Uniform Administrative Requirements, Cost Principles, and Audit Requirements](#)

- Internal Controls - [200.303](#)
- Audit Requirements - [Subpart F](#)
- Procurement - [200.317 - 200.327](#)
- Subrecipient Monitoring and Management/Subrecipient and Contractor Determinations - [200.331 through 200.333](#); [Kansas - Pass-Through Entity Responsibilities Checklist](#)
- Cost Principles - Basic Considerations - [200.402 - 200.411](#); [Kansas-Subpart E](#)



Treasury Resources

Treasury Portal & Reporting Webinars

[SLFRF Reporting Troubleshooting Explainer Video](#)

[SLFRF New User Explainer Video](#)

[SLFRF Reporting Resources Explainer Video](#)

[Project & Expenditure Simplified Reporting](#)

[SLFRF User Roles Explainer Video](#)

[Portal Demonstration & Overview of SLFRF Reporting and Compliance Responsibilities](#)

Reporting Guidance & Treasury Contact Emails

NEU Quick Guide

[NEU Quick Reference Guide](#)

Updated SLFRF Frequently Asked Questions

[FAQs](#)

SLFRF Self Service Resources

[SLFRF Self-Service Resources | U.S. Department of the Treasury](#)

U.S. Department of the Treasury, SLFRF Compliance and Reporting Guidance

[Compliance and Reporting Guidance](#)

Treasury Portal or technical support, please email

covidreliefitsupport@treasury.gov

SLFRF general questions, please email

SLFRF@treasury.gov

Office of Recovery Resources for Local Governments: <https://covid.ks.gov/>

Resource

Content

Inquiry Form

[KS Office of Recovery Question/Request Form](#) – This is the direct link to the inquiry form where you can send questions/inquiries. You can also get to this form by clicking “Contact Us” on the upper right of the [Covid.KS.Gov](#) page.

Compliance Resource Library

[Compliance Resource Library](#) provides Job Aides and additional Treasury SLFRF resource context.

RO Website – NEU – ARPA Webinars

[Webinar Materials – Kansas COVID-19 Response and Recovery \(ks.gov\)](#) – Past NEU webinars contain a wealth of information. Both the videos and the webinar slides are available on this site. Specific topics include:

- Grant Implementation: Getting Started.
- Procurement Best Practices.
- Statewide Contracts and Cooperative Agreements.
- Overview of US Treasury Final Rule.



Questions?