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From: clerknet@simplelists.com on behalf of Jessica Vogel <jessicavogel@iowaleague.org>
Sent: Wednesday, March 9, 2022 1:15 PM
To: clerknet
Subject: [clerknet] American Rescue Act Plan Update 3/2022

Good afternoon Clerknet,

The League is providing an update on the American Rescue Plan's Final Rule. We have created a form if you have any questions on the information below. Please submit them on the form and we answer them as we get them. <https://links.iowaleague.org/AskAboutARPA>

American Rescue Plan Act 3/2022 Update from the Iowa League of Cities

The American Rescue Plan Act (ARPA) of 2021 is a \$1.9 trillion economic stimulus bill signed into law by President Biden in March 2021. Within the ARPA, the Coronavirus State and Local Fiscal Recovery Fund (SLFRF) provides \$350 billion for states, municipalities, counties, tribes, and territories, including \$130 billion for local governments split evenly between municipalities and counties. As a part of the SLFRF, every city in Iowa was eligible to apply for funding in fall 2021, to be planned, incurred and spent by 2026.

Current Updates

In January 2021, the U.S. Department of the Treasury released its "[Final Rule](#)," providing details and rules for how funds may be used. The Final Rule goes into effect on April 1, 2022, and supersedes the temporary "Interim Final Rules" that apply until that date. A shortened [overview document of the Final Rules](#) can be found here (44 pages vs. 437 pages). Within the Final Rules, there is some change/added flexibility for using ARPA funds under the "Revenue Loss" category. Cities should be able to use the Revenue Loss category up to their maximum eligible amount (but no more than \$10M) as a standard allowance, OR cities can choose to use the formula for revenue loss as originally stated. See item #2 below in the National League of Cities (NLC) notes for important information about making an **irrevocable** choice of which the city will use. In either case, specifically excluded fund uses within the Final Rules still apply.

On February 28, 2022, the U.S. Treasury released its "[Compliance and Reporting Guidance](#)," as well as a [statement on the compliance and transition](#) from the Interim Final Rules to its Final Rules.

Compliance and Reporting

The compliance and reporting and the administrative processes differ depending upon whether a city is an "entitlement" city or a non-entitlement city (NEUs). Both are described in the document linked above.

What about SAM registration?

All cities had to have a valid DUNS number in order to apply and receive ARPA/SLFRF funds. Page 12 of the compliance document linked above discusses the SAM registration. The League's current interpretation is that a SAM registration **will** be required for all eligible cities prior to their submission of mandatory reporting. There is **no cost** to obtaining a SAM registration. See www.sam.gov for more information and to register directly through the federal government website. This registration process may take some time, so cities are encouraged to register early, prior to their reporting deadlines.

*Note that there are many websites out there that offer to facilitate the SAM registration process for a fee, some or many of which have been discovered as scams. These are **not** official government sites. Remember, there is **no charge** for an official SAM registration through the federal government.

Summary of Important Links:

Final Rule (all 437 pages): (released Jan 2022)

<https://home.treasury.gov/system/files/136/SLFRF-Final-Rule.pdf>

Overview of Final Rule (shortened 44-page summary) - released Jan 2022:

<https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-Overview.pdf>

Statement Regarding Compliance with the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule and Final Rule

<https://home.treasury.gov/system/files/136/SLFRF-Compliance-Statement.pdf>

Compliance and Reporting Guidance (released February 28, 2022):

<https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>

National League of Cities' Update

The National League of Cities has also conducted a deep dive into the U.S. Department of Treasury's Compliance and Guidance Reporting document released on February 28 and has provided the information below as cities prepare ahead of the April 30, 2022, **NEU** reporting deadline.

1. The Treasury Department rearranged the reporting tiers in the Compliance and Guidance Reporting document from six to five. Starting after April 30, 2022, NEUs with a grant of more than \$10 million will have to report on a quarterly basis instead of yearly. NLC estimates that this could affect 163 NEUs. Additionally, NLC caught an interesting line that appears in the document. "The total SLFRF allocations across all sources for a given jurisdiction will be used to identify that jurisdiction's Reporting Tier, beginning in April of 2022. Treasury may reach out to jurisdictions to update Reporting Tiers." NLC has asked for clarity on exactly what Treasury means and if a local government receives SLFRF monies from a county or state above their initial allocation if that could change their reporting tier.
2. In the Final Rule, local governments can make an **irrevocable decision** as to whether it will take the \$10 million standard allowance or use the lost revenue calculation. Municipalities must decide in their April 30, 2022, report which option it is electing.
3. Consolidated governments (city/county governments) are only required to file once per reporting period, and such reports will cover the total SLFRF allocations received by the jurisdiction. This includes non-entitlement units of local government or units of general local government within counties that are not units of general local government (Non-UGLGs).
4. To facilitate reporting, each NEU will need a NEU Local government Number. This is a unique identification code for each NEU assigned by the State or territory to the NEU as part of its request for funding.
5. For municipalities that must file quarterly reports, quarterly reports will cover one calendar quarter and must be submitted to the Treasury by the last day of the month following the end of the period covered. This is a

change from the Treasury's previous position. Under the old rules, a quarterly filer had 30 calendar days after the end of each calendar quarter to file a report.

6. The Treasury added a new piece of required information that applies to all local governments. Local governments should report the program income earned and expended to cover eligible project costs, if applicable.

7. This is in older versions of the Compliance and Reporting Guidance but is worth repeating. Local governments do not need to submit separate monthly sub-award reports to FSRs.gov as required pursuant to the 2 C.F.R. Part 170, Appendix A.

8. Local governments should also note that sub-recipients do not include individuals and organizations that received SLFRF funds as end-users. 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.

9. A local government must provide detailed information to the Treasury if aid is provided to impacted industries other than tourism and hospitality.

a. Describe if the industry experienced at least 8 percent employment loss from pre-pandemic levels, or if the industry is experiencing comparable or worse economic impacts than national tourism, travel, and hospitality industries as of the date of the Final Rule, and rationale for providing aid to the industry.

i. For each sub-award, the local government will need to provide the sector of the employer (Note: additional detail, including a list of sectors, to be provided in the user guide posted to www.treasury.gov/SLFRP)

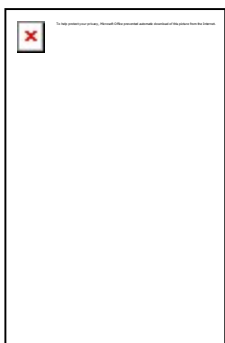
ii. Purpose of funds (e.g., payroll support, safety measure implementation)

10. The Treasury Department will require local governments that pursue water and sewer projects to provide additional reporting data *once the project starts*.

a. If a local government chooses a water and sewer project listed in expenditure categories 5.1-5.18 (a list of 5.1-5.18 can be found in Appendix 1), it will need to provide:

i. Median Household Income of service area (Collection to begin in April 2022)

ii. Lowest Quintile Income of the service area (Collection to begin in April 2022)



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