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Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) Funded by ARPA – Treasury Reporting & FAQ's

September 15, 2022

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Learning Objectives

At the end of this session, you will be able to:

- Identify applicable sections of the Treasury portal that must be reviewed and completed
- Recognize common concerns and best practices for addressing them



Meeting Agenda

- Introduction and Background
- Federal Treasury Reporting Overview
- Reporting Examples
 - Revenue Replacement
 - Other Categories
- FAQs
- Q&A





ARPA Introduction and Background

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Introduction

- On March 11, 2021, ARPA was signed into law and provided \$350 billion of funding to states, territories, tribal and local governments to respond to the COVID-19 public health emergency and its economic impacts.
- Interim Final Rule outlined revenue loss calculation and allowable costs under the various categories
 - [Interim Final Rule \(treasury.gov\)](#)
- Final Rule issued on January 6, 2022
 - Clarified prior guidance and enumerated additional allowable expenditures
 - [SLFRF-Final-Rule.pdf \(treasury.gov\)](#)



Introduction - continued

- Treasury provided a summary of the major changes under the Final Rule
 - [Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule \(treasury.gov\)](#)
- Compliance and reporting guidance & user guide
 - [SLFRF Compliance and Reporting Guidance \(treasury.gov\)](#)
 - [Project and Expenditure Report User Guide - State and Local Fiscal Recovery Funds \(treasury.gov\)](#)

Introduction - continued

- General ledger implications
 - Funds, accounts, projects, budgets and more!
- Treasury reporting
 - Recap of requirements
 - 83 different subcategories with unique requirements
 - Central repository for reporting
 - Prepare early (next report is either 10/31/22 or 4/30/23 for annuals)
- Direct recipients must report on total “Direct” amount received
 - Includes NEU funds *and* funds the state reallocated to municipalities who are in a county that has been dissolved
 - Does NOT include funds that municipalities receive from County’s that are still legal entities and subaward to their cities/towns



Revenue Loss – Implications to Reporting

- The Final Rule allows recipients to elect a standard allowance of \$10 million revenue loss instead of using the calculation.
- The Final Rule gave recipients broad latitude to use funds for the provision of government services to the extent of reduction in revenue.
- These expenditures do *not* have to qualify under one of the other ARPA categories, but do have the same time frame for when the costs must be obligated or expended
- Treasury does allow recipients to report under this category *even if* it qualifies for another – this will greatly simplify the reporting <\$10M recipients (page 34 of the project and expenditure report user guide)



Treasury Contacts

- Phone number:
 - 844-529-9527
- Emails:
 - SLFRP@treasury.gov
 - COVIDReliefITSupport@treasury.gov





Federal Treasury Reporting- Overview

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Project and Expenditure Reporting

- Done on a quarterly or annual basis depending on tier level (slide to come)
- SLFRF recipients should complete the following in order to report:
 1. Register and sign up for the Treasury's portal
 - a. New users should register for Treasury's portal (register through Login.gov) and sign up here: <https://portal.treasury.gov/compliance/s/>.
 - b. Users who have already registered through ID.me can sign up here: <https://portal.treasury.gov/cares/s/slt>. [Note: use of ID.me is not required for reporting]
 - c. NEU's should register using the Login.gov process
 2. All users should log into the portal, confirm their roles and provide SLFRF information. The roles that exist are as follows:
 - Account Administrator
 - Point of Contact for Reporting
 - Authorized Representative for Reporting



Reporting Guidance

Tier	Recipient	Interim Report	Project and Expenditure Report	Recovery Plan Performance Report
1	States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents	By August 31, 2021 or 60 days after receiving funding if funding was received by October 15, 2021 with expenditures by category.	By January 31, 2022, and then 30 days after the end of each quarter thereafter <i>Note: NEUs were not required to submit a Project and Expenditure Report on January 31, 2022. The first reporting date for NEUs will be April 30, 2022.</i>	By August 31, 2021 or 60 days after receiving funding, and annually thereafter by July 31
2	Metropolitan cities and counties with a population below 250,000 residents that are allocated more than \$10 million in SLFRF funding, and NEUs that are allocated more than \$10 million in SLFRF funding.	<i>Note: NEUs were not required to submit an Interim Report</i>	By April 30, 2022, and then annually thereafter	
3	Tribal Governments that are allocated more than \$30 million in SLFRF funding			
4	Tribal Governments that are allocated less than \$30 million in SLFRF funding			
5	Metropolitan cities and counties with a population below 250,000 residents that are allocated less than \$10 million in SLFRF funding, and NEUs that are allocated less than \$10 million in SLFRF funding.			

Note: Based on the period of performance, reports will be collected through April 30, 2027. See the specific due dates listed in Sections B and C.

- Tier 1-3 recipients report projects and expenditures quarterly
- Tier 4-6 recipients report projects and expenditures annually
- NEU = Non-Entitlement Unit
- Note: recent change for NEU's who received >10m



Key Concepts for Treasury Reporting

Expenditure categories

- Each project has to align to one single Expenditure Category (total of 83 ECs)

Projects

- Group of activities that achieve a specific goal and common purpose
- Each project = 1 EC
- Each EC can have one or more projects
- Recipients track obligations & expenditures, and subrecipients & subawards (as applicable)

Relationships Between Project Components

- Organized by modules, each has a Project component = project entry, subrecipient entry, subaward entry, expenditure entry



Reporting Best Practices

Begin
with the
end in
mind

- States and municipalities should utilize their General Ledger to:
 - Track projects according to the 83 potential project types in the Treasury reporting Portal
 - Track expenditures for natural classification for financial audit testing purposes
 - Track expenditures by functional classification for reporting purposes
 - Produce the entire population of expenditures for single audit testing purposes
- Reconcile project expenditures with information reported to Treasury
- Reconcile unused or unavailable grant funds to amounts received and expended



Munis ARPA Chart Example

110 COVID-19 Testing

20C85110 578102 ARPA COVID-19 T	0	0	0	332,530.00
TOTAL COVID-19 Testing	0	0	0	332,530.00
TOTAL EXPENSES	0	0	0	332,530.00

111 COVID-19 Vaccinations

20C85111 578101 ARPA COVID-19 V	0	0	0	8,857.50
TOTAL COVID-19 Vaccinations	0	0	0	8,857.50
TOTAL EXPENSES	0	0	0	8,857.50



Munis ARPA Chart Example - continued

Fund	Org	Obj	Project
3506	3506002	583000	SP01
3506	3506180	582000	SP02
3506	3506002	582000	SP03
3506	3506470	583000	SP04
3506	3506422	584500	SP05
3506	3506180	530000	SP06
3506	3506180	530000	SP07
3506	3506180	530000	SP08
3506	3506180	530000	SP09

- Another option is to have a separate org set by department, utilize standard object codes and a project code

Treasury's Project and Expenditure Report Flow

Navigate
through
the report
in this
manner:

- Introduction/Bulk Templates
- Recipient Profile
- Project Overview
- Subrecipients/Beneficiaries/Contractors
- Subawards/Direct Payments
- Expenditures
- Recipient Specific
- Certification





Project Reporting – Revenue Loss

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Revenue Loss Projects

- Clients who have less than \$10 million in total reward report all as revenue loss but must still report by project and obligation expenditures.
- They will need to complete two screens
 - Recipient specific
 - Project Overview

The screenshot displays the Treasury COVID-19 Relief Hub interface. The top navigation bar is blue with a white hamburger menu icon and the text "Treasury COVID-19 Relief Hub". On the left, a dark blue sidebar contains a logo and the text "State, Local and Tribal Support" and "SLFRP Compliance". Below this, a list of menu items is shown: "Introduction/Bulk Templates", "Recipient Profile", "Project Overview", "Subrecipients/Beneficiaries/Contractors", "Subawards/Direct Payments", "Expenditures", "Recipient Specific" (highlighted in yellow), and "Certification". The main content area is titled "Revenue Replacement" and contains the following text: "Recipients will have the option below to update or provide information associated with revenue loss." "Depending on your answer to the question, 'Is your jurisdiction electing to use the standard allowance for identifying the revenue loss?' you will be asked conditional questions." "Information that was previously provided as part of the Quarterly Report (if applicable) will display in the 'Previous Report Data' field." "Please note: during the period of performance covered by this report, the Interim Final Rule is requiring you to calculate your 'Revenue loss due to COVID-19 Public Health Emergency' using your fiscal year 'Fiscal Year End Date' field and entering your revenue loss in the same 'Revenue loss due to COVID-19 Public Health Emergency' field." "If that situation applies to you, please make clear in the 'Provide an explanation...' text box that you are electing to use the standard allowance for identifying revenue loss." Below this text is a light blue box titled "Revenue Replacement Key Inputs" containing a question: "Is your jurisdiction electing to use the standard allowance of up to \$10 million, not to exceed, for identifying revenue loss?" with a "Yes" radio button selected.



Recipient Specific

Revenue Replacement Key Inputs

[Import Previous Report Data](#)

*Is your jurisdiction electing to use the standard allowance of up to \$10 million, not to exceed your total award allocation, for identifying revenue loss?

Yes

If a recipient's total is \$10 million or greater, the recipient may enter in the amount of revenue loss the recipient is electing up to \$10 million.

If a recipient's total allocation is less than \$10 million, the recipient may enter in the amount of revenue loss the recipient is electing up to your total allocation.

*Revenue Loss Due to Covid-19 Public Health Emergency

\$7,072,733.45

*Were Fiscal Recovery Funds used to make a deposit into a pension fund?

No

*Please provide an explanation of how revenue replacement funds were allocated to government services

Explanation

Salesforce Sans 12

Various projects including public safety, education, child care assistance, rental assistance, sewer and water systems support.

- Applicant will need to populate the highlighted fields



Project Overview

- Will choose 6.1 for the project
- As noted: for this category, it is not required to populate the subrecipients, subawards and expenditures tabs. All other expenditure categories will require those to be populated as well

Add Project

*Project Expenditure Category
6.1-Provision of Government Services

Please note: at this time, obligations and expenditures reported under Expenditure Category: 6.1 Provision of Government Services do not need to have subrecipients, subawards, or expenditures separately reported.

*Project Name: SW&R Subsidy *Recipient Project ID: P1 Adopted Budget: \$140,000.00

*Total Cumulative Obligations: \$87,650.00 *Total Cumulative Expenditures: \$87,650.00 *Current Period Obligations: \$87,650.00 *Current Period Expenditures: \$87,650.00

Program Income Earned: Program Income Expended:

*Project Description
Due to pandemic, trash and recycling tonnage has greatly increased, and rates were set for the year. Town is allocating these funds to cover contract services

[Add Project](#)

[Add New Project](#)

Search

Records per page: 10 Page: 1 of 1

Project Name	Recipient Project Id	Total Obligations	Total Expenditures	Expenditure Catego...	Project Status	Subaward Status	Expenditures Status
1 SW&R Subsidy	P1	\$87,650.00	\$87,650.00	6-Revenue Replacement	✓	✓	✓

[Download as CSV](#)



Project Reporting – Other Expenditure Category

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Projects other than revenue loss

- In addition to the tabs required for Revenue Loss projects, other categories will require the following:
 - Subrecipients/Beneficiaries
 - Subawards/Direct Payments
 - Expenditures



Subrecipients/Beneficiaries



Please note: at this time, obligations and expenditures reported under Expenditure Category: 6.1 Revenue Replacement do not need to have subrecipients, subawards, or expenditures separately reported.

Subrecipients or Beneficiaries

Please provide identifying information for each Subrecipient or Beneficiary that received at least one Subaward or Direct Payment of federal funding greater than \$50,000 from this program. In addition, you will also need to provide information about the Subrecipient's 2 CFR 170.330 Total Compensation reporting, if applicable.

Subrecipient Information

Bulk Uploads

[Download the Subrecipient Template](#) [Upload Subrecipient Template](#)

Manual Entry

UEI:

DUNS: * Address Line 1:

DUNS (+4): Address Line 2:

TIN: Address Line 3:

* Legal Name: * City: * Zip:

POC Email Address: * State: Zip+4:

* Is the subrecipient registered in SAM.gov?



Subawards/Direct Payments



Please note: at this time, obligations and expenditures reported under Expenditure Category: 6.1 Revenue Replacement do not need to have subrecipients, subawards, or expenditures separately reported.

Subawards or Direct Payments

Please provide general information for each Subaward or Direct Payment of federal funding greater than \$50,000 provided under this program. You will need to provide detailed information on the amount, date, period and place of performance, and a brief description of the Subaward or Direct Payment and its underlying eligible use. In addition, you will also associate the Subaward or Direct Payment with the relevant Project/FAIN and Subrecipient.

Subaward Information

*Project Name: FAIN:
Q Search Projects...

Manual Entry

*Subrecipient Name: *Place of Performance Address 1:
Q Search Recipients...

*Subaward No: Place of Performance Address 2:

*Subaward Type: Place of Performance Address 3:
--None--

*Subaward Amount (Obligation): *Place of Performance City:

*Subaward Date: *Place of Performance State:
--None--

*Period of Performance Start: *Place of Performance Zip:

*Period of Performance End: Place of Performance Zip+4:

*Brief description of Subaward and its underlying eligible use (750 characters):



Expenditures



Please note: at this time, obligations and expenditures reported under Expenditure Category: 6.1 Revenue Replacement do not need to have subrecipients, subawards, or expenditures separately reported.

Expenditures

In the below section, users should provide details for each expenditure of program funds. You will need to associate each expenditure with a Project, Subaward, and Subrecipient record created in the previous tabs. In addition, you will need to provide the amount of the expenditure(s) and relevant dates. In addition, grantees and creditors receiving federal program funds will also have to answer some additional, Subaward specific questions.

Expenditures for Awards > \$50,000

In the below section, please provide further detail on each expenditure for awards of \$50,000 or more.

Project Name

Manual Entry

Subaward No
Subaward Amount
Subaward Type
Subrecipient Name

Expenditure Start
Expenditure End
Expenditure Amount

Aggregate Expenditures < \$50,000

For disbursements less than \$50,000, please provide the aggregate expenditures and obligations for the current reporting period and total to date. Your organization must assign project and subaward identifiers to each aggregate expenditure.

Project Name

Manual Entry

Subaward Type (Aggregates)

Total Period Expenditure Amount

Total Period Obligation Amount

Cumulative Expenditures
\$0.00

Cumulative Obligations
\$0.00

Payments to Individuals

For disbursements to individuals less than \$50,000, please provide the aggregate expenditures and obligations for the current reporting period and total to date.

Project Name

Manual Entry

Total Period Expenditure Amount

Total Period Obligation Amount

Cumulative Expenditures
\$0.00

Cumulative Obligations
\$0.00





FAQs

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FAQs

- OPEB
- Interest Income
- 12/31/2024 Deadline
- Vendor vs. Subrecipient vs. Beneficiary
- Loan Programs



Can we really use ARPA funds for OPEB?

The most recent ARPA FAQ, published 7/27/2022, clarified the use of ARPA for OPEB

- “Recipients may use funds for eligible uses, and a recipient seeking to use SLFRF funds for OPEB contributions would need to justify those contributions under one of the four eligible use categories.”
- You may use ARPA funds to pay for any employee benefits related to salaries covered for eligible ARPA uses, including OPEB or pension

Can I use ARPA revenue replacement to make a large deposit into OPEB reserve fund?

- Current period expenditures only
- Cannot use revenue replacement funds as “catch up” deposits (no reserve fund deposits – such as stabilization funds)

What about pensions?

- Per FAQ #8.2, deposits into pension funds, where “deposit” means “an extraordinary payment of an accrued, unfunded liability”, are unallowed per the Social Security Act. This restriction specifically does not extend to OPEB



Must we credit the ARPA fund with any interest earned?

- Interest earned on ARPA funds does not need to be reported
- ARPA funds, and by extension any interest earned, do not need to be in their own bank account
- What is meant by not being subject to “program restrictions”?
 - Interest income MAY be set aside for grant program usage, but it is not required
 - Interest earned may go directly to the general fund

Is 12/31/2024 a hard deadline?

By 12/31/2024 deadline, everything must be expensed (paid) or obligated

Per Title 34 § 75.701 Obligated dates depending on the type of expenditure:

- Acquisition of property
 - On the date the grantee makes a binding written commitment to acquire the property
- Personal services by an employee of the grantee
 - When the services are performed
- Personal services by a contractor who is not an employee of the grantee
 - On the date on which the grantee makes a binding written commitment to obtain the services
 - As funds cannot be “re-obligated” after 12/31/24, recipients should limit these obligations to those that are irrevocable or set amounts
 - If the project extends past 12/31/26, any bills paid after that date would not be allowable.
- Performance of work other than personal services
 - On the date on which the grantee makes a binding written commitment to obtain the work.
 - If the amount comes in lower, or work is canceled, the released funds would have to be returned to the Treasury
- Public utility services
 - When the grantee receives the services
- Travel
 - When the travel is taken
- Rental of real or personal property
 - When the grantee uses the property



Subrecipient vs. Beneficiary vs. Contractor?

Subrecipients

- A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. It is a separate legal entity that provides services to other end users.

Beneficiary

- 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.

Contractors

- A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor.
- For Treasury portal reporting purposes, contractors are included in this definition of beneficiary



What are the requirements to run an ARPA loan program?

- ARPA allows for municipalities to establish loan programs, lending funds to eligible subrecipients and collecting the principal and interest back
 - If the funds are paid back prior to 12/31/26, then the repaid funds (program income) will have to be spent again on eligible expenses within the timing restrictions of ARPA
 - If the repayment is after 12/31/26, then only the “cost of the loan” (i.e. inherent subsidized interest) could hit the ARPA grant, not the principal of the loan.
 - Funds must be obligated by 12/31/24, so if funds are returned after that date, they cannot be “re-obligated”, so unless you are willing to risk obligating a contract prior to the funds being returned, then the true cutoff would be 12/31/24
- For loans with maturities longer than December 31, 2026, the recipient may use funds for only the projected cost of the loan.





Questions and Answers

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Closing & Resources

- CLA Resources:
 - [Governments: Review This Checklist Before Spending COVID-19 Relief Funds : 2021 : Articles : Resources : CLA \(CliftonLarsonAllen\) \(claconnect.com\)](#)
 - <https://www.claconnect.com/events/2022/arpa-subrecipients-risk-assessments-monitoring-and-reporting>
 - <https://www.claconnect.com/events/2022/update-on-coronavirus-state-and-local-fiscal-recovery-funds-funded-by-arpa>
 - [Demystifying Revenue Loss and ARPA Funds : 2022 : Events : CLA \(CliftonLarsonAllen\) \(claconnect.com\)](#)
 - [Managing Your ARPA Funds : 2021 : Events : CLA \(CliftonLarsonAllen\) \(claconnect.com\)](#)
 - [ARPA Basics for Governments and Potential Impact on Communities : 2021 : Events : CLA \(CliftonLarsonAllen\) \(claconnect.com\)](#)
 - [Overcoming Workforce Challenges : 2022 : Events : CLA \(CliftonLarsonAllen\) \(claconnect.com\)](#)
- ARPA Treasury:
 - [Coronavirus State and Local Fiscal Recovery Funds | U.S. Department of the Treasury](#)
 - [WEBINAR: State & Local Fiscal Recovery Funds: An Introduction to the Final Rule - YouTube](#)
- Revenue Loss Calculation classification:
 - [U.S. Bureau of the Census - Government Finance and Employment](#)
- ARPA FAQs:
 - [SLFRF-Final-Rule-FAQ.pdf \(treasury.gov\)](#) (as of 7/27/22)



Thank you for your participation!

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