

# CSMFO: Washington Information You Should Know



Government Finance Officers Association

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# Roadmap

- Part 1: ARPA and Final Rule Updates
- Part 2: Compliance and Reporting
- Part 3: Bipartisan Infrastructure Law



# ARPA GFOA Guiding Principles

# GFOA ARPA Guiding Principles

- Temporary Nature of ARPA Funds
  - Care should be taken to avoid creating new programs or add-ons to existing programs that require an ongoing financial commitment.
  - Use of ARPA funds to cover operating deficits caused by COVID-19 should be considered temporary and additional budget restraint may be necessary to achieve/maintain structural balance in future budgets.
  - Investment in critical infrastructure is particularly well suited use of ARPA funds because it is a non-recurring expenditure that can be targeted to strategically important long- term assets that provide benefits over many years. However, care should be taken to assess any on-going operating costs that may be associated with the project.

# GFOA ARPA Guiding Principles

- ARPA Scanning and Partnering Efforts
  - Local jurisdictions should be cognizant of state-level ARPA efforts, especially regarding infrastructure, potential enhancements of state funding resources, and existing or new state law requirements.
  - Consider regional initiatives, including partnering with other ARPA recipients. It is possible there are many beneficiaries of ARPA funding within your community, such as schools, transportation agencies and local economic development authorities. Be sure to understand what they are planning and augment their efforts or create cooperative spending plans to enhance the structural financial condition of your community.

# GFOA ARPA Guiding Principles

- Take Time and Careful Consideration
  - Use other dedicated grants and programs first whenever possible and save ARPA funds for priorities not eligible for other federal and state assistance programs.
  - Whenever possible, expenditures related to the ARPA funding should be spread over the qualifying period (through December 31, 2024) to enhance budgetary and financial stability.
  - Adequate time should be taken to carefully consider all alternatives for the prudent use of ARPA funding prior to committing the resources to ensure the best use of the temporary funding.



# Part 1: ARPA Final Rule Updates

# Eligible Expenditures: Four Main Categories

- A. COVID-19 or a negative economic impact
- B. Premium pay for eligible workers
- C. For government services to the extent of the loss of revenue
- D. Investments in water, sewer and broadband infrastructure



# FINAL RULE ISSUED

- Final rule issued January 7, 2022
- The final rule takes effect on April 1, 2022
  - If a use of funds complies with the final rule, Treasury will not take action to enforce the interim final rule, regardless of when the funds were used (e.g., if the IFR would not permit that use of funds); recipients can take advantage of the expanded flexibilities in the final rule now
  - Until April 1, the interim final rule remains in effect; funds used consistently with the IFR while it is in effect are in compliance with the SLFRF program

# Expenditure Categories (EC)

## 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

## 2: Negative Economic Impacts

2.1	Household Assistance: Food Programs* ^
2.2	Household Assistance: Rent, Mortgage, and Utility Aid* ^
2.3	Household Assistance: Cash Transfers* ^
2.4	Household Assistance: Internet Access Programs* ^
2.5	Household Assistance: Eviction Prevention* ^
2.6	Unemployment Benefits or Cash Assistance to Unemployed Workers*
2.7	Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives)* ^
2.8	Contributions to UI Trust Funds
2.9	Small Business Economic Assistance (General)* ^
2.10	Aid to Nonprofit Organizations*
2.11	Aid to Tourism, Travel, or Hospitality
2.12	Aid to Other Impacted Industries
2.13	Other Economic Support* ^
2.14	Rehiring Public Sector Staff

## 3: Services to Disproportionately Impacted Communities

3.1	Education Assistance: Early Learning* ^
3.2	Education Assistance: Aid to High-Poverty Districts ^
3.3	Education Assistance: Academic Services* ^
3.4	Education Assistance: Social, Emotional, and Mental Health Services* ^
3.5	Education Assistance: Other* ^
3.6	Healthy Childhood Environments: Child Care* ^
3.7	Healthy Childhood Environments: Home Visiting* ^
3.8	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System* ^

## 3.9 Healthy Childhood Environments: Other\* ^

3.10	Housing Support: Affordable Housing* ^
3.11	Housing Support: Services for Unhoused Persons* ^
3.12	Housing Support: Other Housing Assistance* ^
3.13	Social Determinants of Health: Other* ^
3.14	Social Determinants of Health: Community Health Workers or Benefits Navigators* ^
3.15	Social Determinants of Health: Lead Remediation ^
3.16	Social Determinants of Health: Community Violence Interventions* ^

## 4: Premium Pay

4.1	Public Sector Employees
4.2	Private Sector: Grants to Other Employers

## 5: Infrastructure<sup>24</sup>

5.1	Clean Water: Centralized Wastewater Treatment
5.2	Clean Water: Centralized Wastewater Collection and Conveyance
5.3	Clean Water: Decentralized Wastewater
5.4	Clean Water: Combined Sewer Overflows
5.5	Clean Water: Other Sewer Infrastructure
5.6	Clean Water: Stormwater
5.7	Clean Water: Energy Conservation
5.8	Clean Water: Water Conservation
5.9	Clean Water: Nonpoint Source
5.10	Drinking water: Treatment
5.11	Drinking water: Transmission & Distribution
5.12	Drinking water: Transmission & Distribution: Lead Remediation
5.13	Drinking water: Source
5.14	Drinking water: Storage
5.15	Drinking water: Other water infrastructure
5.16	Broadband: "Last Mile" projects
5.17	Broadband: Other projects

## 6: Revenue Replacement

6.1	Provision of Government Services
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## 7: Administrative

7.1	Administrative Expenses
7.2	Evaluation and Data Analysis
7.3	Transfers to Other Units of Government
7.4	Transfers to Non-entitlement Units (States and territories only)

# Prohibitions Further Clarified

Restriction	
<b>Reduction in tax revenue</b>	SLFRF may not be used to directly or indirectly offset a reduction in net tax revenue resulting from a change in state or territory law, as required by the American Rescue Plan
<b>Deposits into Pension Funds</b>	<ul style="list-style-type: none"><li>• SLFRF may not be used for deposits into pension funds, as required by ARPA</li><li>• A “deposit” is defined as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability</li><li>• Recipients may use funds for routine payroll contributions to pensions of employees whose wages and salaries are an eligible use</li></ul>
<b>Other Restrictions on Use</b>	<ul style="list-style-type: none"><li>• Funds may not be used for debt service, replenishing rainy day funds/financial reserves, or satisfaction of a settlement or judgment</li><li>• May not undermine mitigation practices in line with CDC guidance and recommendations</li><li>• Uses of funds may not violate Uniform Guidance conflict-of-interest or other applicable laws</li></ul>
<b>Revenue Loss</b>	<p>Generally, funds available under the “revenue loss” eligible use category can be used to meet the non-federal cost-share or matching requirements of other federal programs</p> <p>Except that funds may not be used as the non-federal share for a state’s Medicaid and CHIP programs, even under the “revenue loss” eligible use category</p> <p>Except when a federal statute specifically and/or expressly permits FRF to be used as match (e.g., IIJA permits FRF as match on certain broadband deployment projects)</p>



## A. Public Health & Negative Economic Impacts

# A. Public Health & Negative Economic Impacts

Public Health	Negative Economic Impacts	Services to Disproportionately Impacted Communities
COVID-19 Vaccination	Household Assistance: Food Programs	Education Assistance: Early Learning
COVID-19 Testing	Household Assistance: Rent, Mortgage, and Utility Aid	Education Assistance: Aid to High-Poverty Districts
COVID-19 Contact Tracing	Household Assistance: Cash Transfers	Education Assistance: Academic Services
Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)	Household Assistance: Internet Access Programs	Education Assistance: Social, Emotional, and Mental Health Services
Personal Protective Equipment	Household Assistance: Eviction Prevention	Education Assistance: Other
Medical Expenses (including Alternative Care Facilities)	Unemployment Benefits or Cash Assistance to Unemployed Workers	Healthy Childhood Environments: Child Care
Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency	Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives)	Healthy Childhood Environments: Home Visiting
Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)	Contributions to UI Trust Funds	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System
Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19	Small Business Economic Assistance (General)	Healthy Childhood Environments: Other
Mental Health Services	Aid to Nonprofit Organizations	Housing Support: Affordable Housing
Substance Use Services	Aid to Tourism, Travel, or Hospitality	Housing Support: Services for Unhoused Persons
Other Public Health Services	Aid to Other Impacted Industries	Housing Support: Other Housing Assistance
	Other Economic Support	
	Rehiring Public Sector Staff	

# Final Rule: Responding to COVID-19

- Expanded and clarified eligible uses, including:
  - Making affordable housing, childcare, early learning services, and services to address learning loss eligible to all impacted households
  - Clarifying eligible uses in disproportionately impacted communities, including certain community development and neighborhood revitalization activities
  - Clarifying eligible uses for disproportionately impacted small businesses, including rehabilitation of commercial properties and start-up or expansion assistance
- Presumed Populations:
  - Defines low- and moderate-income households and communities presumed impacted by the pandemic
  - Presumes low-income households and communities disproportionately impacted, in addition to Qualified Census Tracts and others
  - Presumes small businesses and non-profits operating in Qualified Census Tracts disproportionately impacted, among others

# Final Rule: Eligibility Criteria

- *In general, to identify eligible uses of funds in this category, recipients should*
  - *(1) identify a COVID-19 public health or economic impact on an individual or class (i.e., a group) and*
  - *(2) design a program that responds to that impact.*

Step	1. Identify COVID-19 public health or economic impact	2. Design a response that addresses or responds to the impact
Analysis	<ul style="list-style-type: none"><li>• Can identify impact to a specific household, business or nonprofit or to a class of households, businesses, or nonprofits (i.e., group)</li><li>• Can also identify disproportionate impacts, or more severe impacts, to a specific beneficiary or to a class</li></ul>	<ul style="list-style-type: none"><li>• Types of responses can include a program, service, or capital expenditure</li><li>• Response should be related and reasonably proportional to the harm</li><li>• Response should also be reasonably designed to benefit impacted individual or class</li></ul>
Simplifying Presumptions	<ul style="list-style-type: none"><li>• Final Rule presumes certain populations and classes are impacted and disproportionately impacted</li></ul>	<ul style="list-style-type: none"><li>• Final Rule provides non-exhaustive list of enumerated eligible uses that respond to pandemic impacts and disproportionate impacts</li></ul>

# Final Rule: Public Sector Capacity

- **Public safety, public health, and human services staff**
  - Payroll and covered benefits for public safety, public health, health care, human services and similar employees of a recipient government through the period of performance
  - Limited to the portion of the employee's time spent responding to COVID-19, though public health and safety staff primarily dedicated to COVID-19 response may be fully covered; recipients can use reasonable estimates to determine share of employee time
- **Government employment & rehiring public sector staff**
  - ✓ Restoring employment by hiring up to 7.5% above pre-pandemic baseline
  - ✓ Funding for employees who experienced pay reductions or were furloughed
  - ✓ Maintaining current compensation levels to prevent layoffs
  - ✓ Worker retention incentives, including reasonable increases in compensation
- **Effective service delivery**
  - ✓ Supporting use of evidence, program evaluation, data, and outreach
  - ✓ Providing administrative expenses for administration of programs that respond to COVID-19
  - ✓ Address administrative needs caused or exacerbated by the pandemic (e.g., backlogs from pandemic shutdowns, adapting government operations to the pandemic)



# Final Rule: Capital Expenditures

- **Overall eligibility requirements**

- Capital expenditures subject to same “related and reasonably proportional” standard as other uses
- Recipients other than Tribal governments must complete Written Justification (WJ) for capital expenditures at or over \$1 million
  - » WJ requires recipients to explain why a capital expenditure is appropriate and why the proposed capital expenditure is superior to alternatives
  - » Depending on project size, recipients may be required to submit WJ with reporting; no pre-approval

- **Presumptions for capital expenditures**

**Projects presumed eligible, provided the above requirements are met:**

- ✓ Testing labs and equipment
- ✓ Emergency operations center & equipment
- ✓ Affordable housing
- ✓ Childcare facilities
- ✓ Schools (for Disproportionately Impacted communities)
- ✓ Primary care health clinics and hospitals (for Disproportionately Impacted communities)

**Projects generally presumed to be ineligible:**

- × Construction of new correctional facilities as a response to an increase in rate of crime
- × Construction of new congregate facilities to decrease spread of COVID-19 in facility
- × Construction of convention centers, stadiums or other large capital projects for general economic development or aid to impacted industries

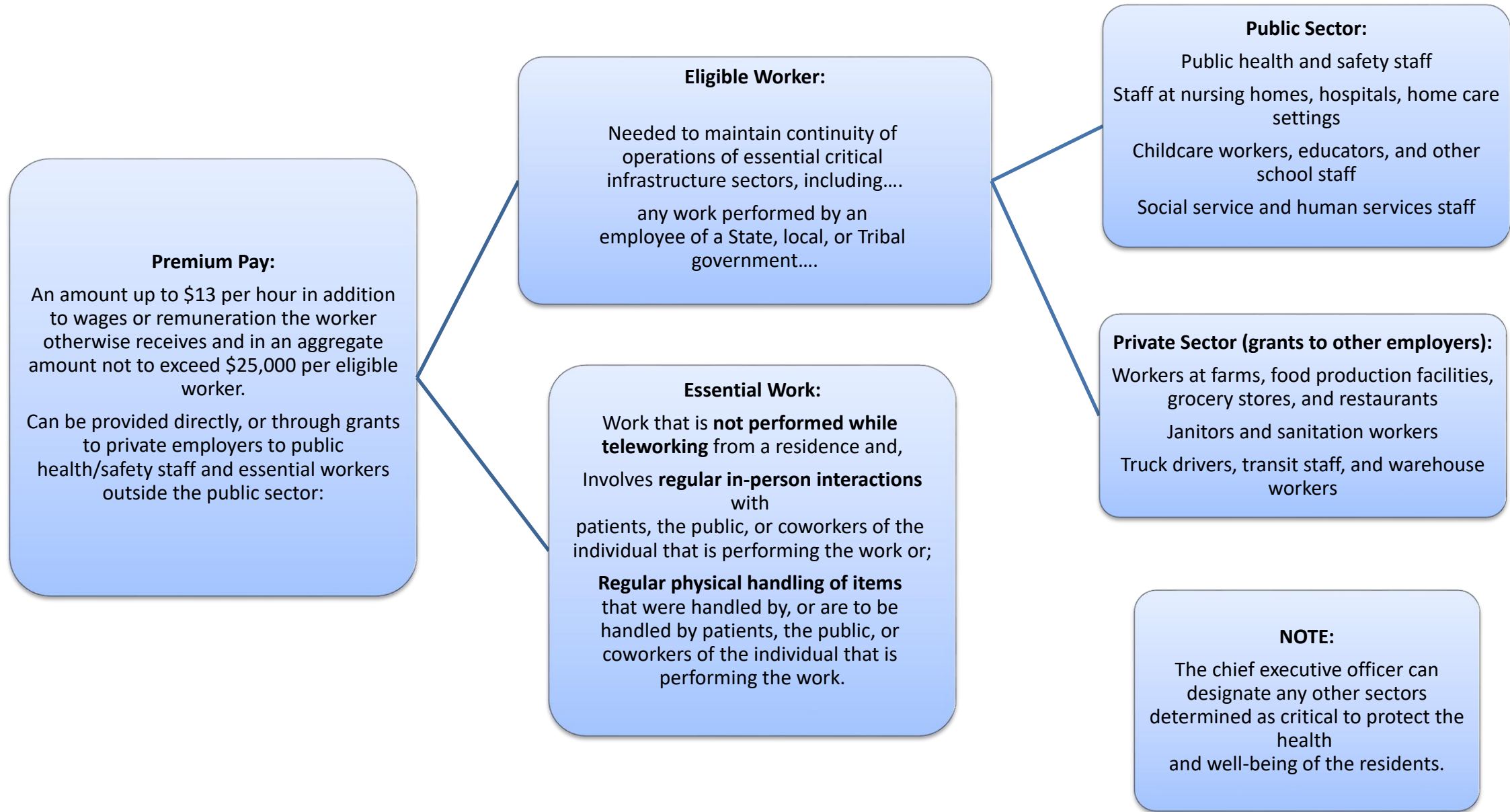
# IRS Updated Guidance

- On November 17, the IRS updated guidance regarding requirements for SLFRF payments to individuals. [Click here to see the IRS Guidance.](#)
- This key guidance includes:
  - Payments to individuals from SLFRF for utilities (or arrearages of utilities) is NOT considered income and therefore a Form 1099-MISC is not required.
  - Other **cash transfers to individuals is not income**, and therefore no Form 1099-MISC or other information return is required to be filed with the IRS or furnished to the recipient.



## B. Premium Pay

## B. PREMIUM PAY



# Final Rule Additions

- Eligible workers are those in critical infrastructure sectors
- Essential work involves regular in-person interactions or physical handling of items handled by others
- Pay must respond to worker needs:
  - Serves workers who:
    - Earn at or below 150 percent of their state or county's average annual wage, or
    - Are not exempt from Fair Labor Standards Act overtime rules
  - Or recipient provides written justification of how it meets needs

# Final Rule Additions

- 1. Identify an eligible worker** *who are “needed to maintain continuity of operations of essential critical infrastructure sectors.*
- 2. Verify that the eligible worker** *has maintained essential work in-person*
- 3. Confirm that the premium pay “responds to” workers** *performing essential work during the covid-19 public health emergency*
  - 1.** *Is not exempt from the Fair Labor Standards Act overtime provisions*
  - 2.** *Is earning at or below 150 percent of their residing state or county’s annual wage*
  - 3.** *If does not meet above criteria, then submit written justification*

# EXAMPLE: King City, Oregon (Pop: 4,408)

- State of Oregon Annual Average wage for all occupations = \$55,349
- **Washington County Annual Average wage for all occupations = \$73,226**
  - $\$73,226 \times 150\% = \$109,839$ 
    - In the case of King City there are only 2 employees that would exceed that figure with the addition of the Premium Pay.
- **Brief Narrative:** As a small City with a limited tax base we are limited on what we can pay in salary. Most of our salaries are 1-2 thousand dollars a month lower than our neighboring City's. We lack the ability to offer higher wages due to budgetary constraints and restrictions on tax adjustments. The City spends significant resources constantly hiring and retraining employees who leave for higher paying jobs that require less of the time and dedication. Retention is a significant problem for a small city. Regardless of the employee's pay or position within our organization, every employee has worked the front line throughout this pandemic.
- Staff is proposing to limit the Premium Pay from \$13 p/hr worked to \$10 p/hr worked either directly or in support of the City's Covid related response from April 1, 2020 when the emergency was first declared through the end of September 2021 in the **following sectors:**
  - **public service, public health, public safety, public welfare, public infrastructure, parks, maintenance, positions that support the continuity of the City's essential operations.**

# IRS Updated Guidance

- On November 17, the IRS updated guidance regarding requirements for SLFRF payments to individuals. [Click here to see the IRS Guidance.](#)
- This key guidance includes:
  - 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.)
  - Any payment from SLFRF that is in the nature of compensation for services, even a one-time payment (such as a hiring “bonus”), is considered wages.





## C. Revenue Loss

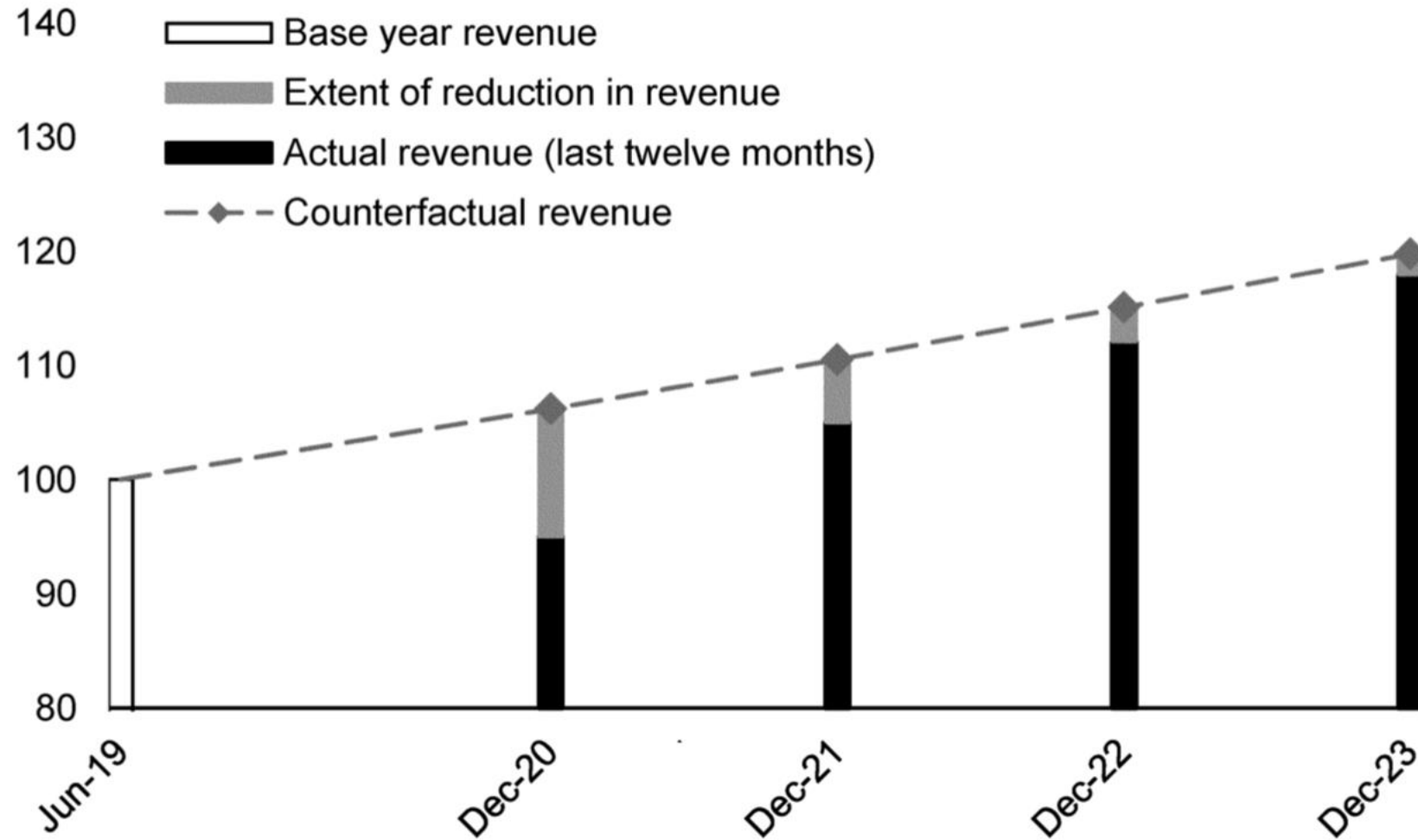
# Final Rule Additions

- Recipients may determine their revenue loss by choosing between two options:
  - A standard allowance of up to \$10 million in aggregate, not to exceed your award amount, during the program
  - Calculating your jurisdiction's specific revenue loss each year using Treasury's formula, which compares actual revenue to a counterfactual trend.

# What is Revenue?

- What is OUT of the revenue calculation:
  - Federal transfers (even those flowing through the State) (IFR)
  - Intergovernmental transfers from your entity to your entity ([Census p. 45](#))
  - Refunds and other correcting transactions (IFR)
  - Proceeds from the issuance of debt (IFR)
  - Must adjust actual revenue totals for the effect of tax cuts and tax increases that are adopted after January 6, 2022
- What is IN?
  - Governments may elect to include revenues from utilities (water supply, electric power, gas supply, and public mass transit systems) [Census p. 65](#)
  - Everything not listed above
    - taxes, fees and other revenues to support public services
  - Including Fees generated by the underlying economy
    - Component units and enterprise funds
    - civic center, zoo, parking, ports, sports stadiums etc. etc. etc.

# C. Revenue Loss



# Process for Revenue Replacement

- Look at the past 2019 base year revenue
- Recipients average annual growth of the past three fiscal years
  - Apply 5.2% growth rate or greater to annual revenues collected
- Multiplier applies to the revenue collected in each calendar or each fiscal year
  - Choice is up to the issuer
  - Must be consistent throughout the period of performance
- Compare projected growth revenue to actuals collected
  - If actual exceeds projected, collection is zero for that year

# C. Revenue Loss

## Provision of Government Services (can include, but are not limited to):

Maintenance or pay-go funded building of infrastructure/roads

Modernization of cybersecurity, including hardware, software, and protection of critical infrastructure.

Health services

Environmental remediation

School/educational services

Provision of police, fire, and other public safety services

## Restrictions:

Paying interest or principal on outstanding debt

Replenishing rainy day or other reserve funds

Paying settlements or judgments would not be considered provision of a government service, since these uses of funds do not entail direct provision of services to citizens

# Major Procurement Considerations

- Be careful of any of the recaptured revenue placed in the General Fund
  - Still SLFRP funding
  - Still subject to Uniform Guidance
  - Still subject to the bounds of the law
- SEFA reporting is required when the expenditure occurs



## D. Water/Sewer & Broadband Infrastructure



# D. Water/Sewer

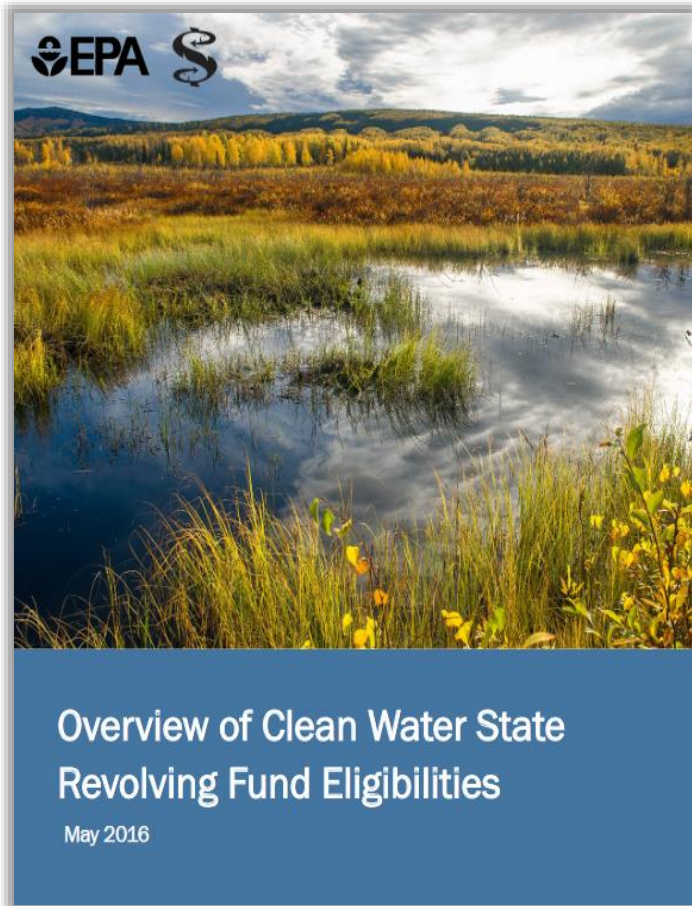
- Necessary investments in projects that:
  - Improve access to clean drinking water.
  - Improve wastewater and stormwater infrastructure systems.
  - Provide access to high-quality broadband service.
- Necessary Investment:
  - Designed to provide an adequate minimum level of service and are unlikely to be made using private sources of funds.
- Give priority to those most in need



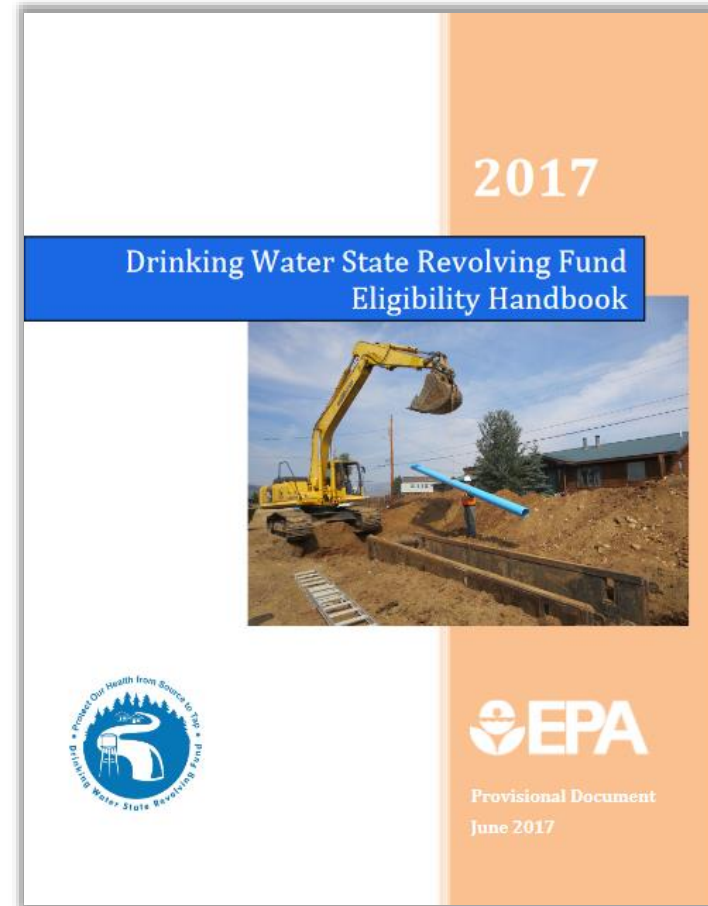
# Final Rule Additions

- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, to support vital wastewater and stormwater infrastructure, and to expand affordable access to broadband internet.
- Recipients may fund a broad range of water and sewer projects, including those eligible under the EPA's Clean Water State Revolving Fund, EPA's Drinking Water State Revolving Fund, and certain additional projects:
  - Broader set of lead remediation projects, including faucets, fixtures, and internal plumbing in schools and childcare facilities
  - Additional types of stormwater infrastructure, such as culverts
  - Residential wells
  - Certain dam and reservoir rehabilitation

# D. Water/Sewer



[CWSRF List of State Contacts](#)



[DWSRF List of State Contacts](#)

# D. Broadband

## Broadband

Broadband: “Last Mile” projects

Broadband: Other projects

- Build broadband infrastructure with modern technologies in mind, specifically projects that deliver services offering:
  - Reliable 100 Mbps download and 100 Mbps upload speeds, unless impracticable due to topography, geography, or financial cost.
- Assisting underserved households and businesses:
  - Meet household/business needs, such as:
    - Ability to work from home, receive education online, use health applications online etc.
- Treasury interprets “businesses” in the context of Broadband Infrastructure broadly to include:
  - Non-residential users of broadband, including private businesses and institutions that serve the public, such as schools, libraries, healthcare facilities, and public safety organizations.

# Final Rule Additions

- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, to support vital wastewater and stormwater infrastructure, and to expand affordable access to broadband internet.
- Recipients may fund high-speed broadband infrastructure in areas of need that the recipient identifies, such as areas without access to adequate speeds, affordable options, or where connections are inconsistent or unreliable:
  - Under the IFR, recipients were required to invest in households and businesses without reliable wireline 25/3 Mbps
  - Final rule broadens flexibility by encouraging recipients to invest in locations without reliable wireline 100/20 Mbps but enables recipients to identify additional need for investment (e.g., affordability)
  - Final rule also adds an affordability requirement

# Procurement Questions

- Recipients **do not need approval** from Treasury to determine whether an investment in a water, sewer, or broadband project is eligible under the SLFRF.
  - Each recipient should review the IFR in order to make its own assessment of whether its intended project meets the eligibility criteria in the IFR.
- Major procurement considerations include
  - **Davis Bacon Requirements (and/or project labor agreements)**
  - **Employees and contractors working on the project**
  - **Technology minimum standards**



# Part 2: Compliance & Reporting



# Compliance and Reporting Guidance

## Compliance and Reporting Guidance

### State and Local Fiscal Recovery Funds

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, with expenditures by category	By January 31, 2022, and then 30 days after the end of each quarter thereafter <sup>9</sup>	By August 31, 2021 or 60 days after receiving funding, and annually thereafter by July 31 <sup>10</sup>
2	Metropolitan cities and counties with a population below 250,000 residents which received more than \$10 million in SLFRF funding			Not required
3	Tribal Governments which received more than \$30 million in SLFRF funding			
4	Tribal Governments which received less than \$30 million in SLFRF funding		By April 30, 2022, and then annually thereafter <sup>11</sup>	
5	Metropolitan cities and counties with a population below 250,000 residents which received less than \$10 million in SLFRF funding			
6	NEUs	Not required		





# Key Responsibilities

# Key Procurement Responsibilities #1:

## **Treasury Resources**

- [Treasury's Main SLFRF Page](#)
- [NEU Homepage](#)
- [Interim Final Rule](#)
- [FAQs \(Main\)](#)
- [FAQs \(on Distribution of Funds to NEUs\)](#)
- [Non-entitlement Unit of Local Government Checklist for Requesting Initial Payment](#)
- [Award Terms and Conditions for Non-entitlement Units of Local Government](#)
- [Assurances of Compliance with Title VI of the Civil Rights Act of 1964](#)
- [Status of Payments to States for Distribution to Non-entitlement Units of Local Government](#)
- [Compliance and Reporting](#)



## **GFOA Resources**

- [Coronavirus Response Resource Center](#)
- [Analysis of the American Rescue Plan](#)
- [ARPA Revenue Replacement Calculator](#)
- [GFOA Guiding Principles](#)

# Key Procurement Responsibilities #2:

## Know your Uniform Guidance, including 2CFR200 and compliance supplements

- Properly documented policies
- Understand key waiver thresholds including sole source and micro purchases, otherwise purchases must conform, including competitive requirements
- Treasury has NOT issued any uniform guidance waivers for expenditures in any category.

# Key Procurement Responsibilities #3:

## Know your Single Audit Eligibility and monitor SEFA activity

- The Uniform Guidance requires non-Federal entities that expend \$750,000 or more a year in Federal awards to have an audit conducted in accordance with the Uniform Guidance.
- Talk with your auditor early about SEFA reporting requirements and how to report those expenditures
- GFOA Advanced Accounting Academy

# Key Procurement Responsibilities #4:

## Sub-recipient Monitoring

- **Recipients:** Eligible entities identified in sections 602 and 603 that received a CSLFRF award:
  - States and the District of Columbia, Territories, Tribal governments, Counties, Metropolitan cities, Non-entitlement units, or smaller local governments.
- **Sub-recipients:** Entities that receive a sub-award from a recipient to carry out the purposes (program/project) of the award on behalf of the recipient.
- **Recipients are responsible for sub-recipient monitoring:**
  - Clearly identify to the sub-recipient that the award is CSLFRF.
  - Identify all compliance requirements and any reporting requirements.
  - Initial and ongoing evaluation of each sub-recipients risk of noncompliance.
  - Develop written policies and procedures for sub-recipient monitoring and risk evaluation as well as sufficient document retention policies.

# Key Procurement Responsibilities #4:

## Sub-recipient Monitoring

- **Subawards**

- Specific information required for each subaward (Contract, Grant, Loan, Transfer, or Direct Payment) **greater than or equal to \$50,000**

Aggregate reporting is required for contracts, grants, transfers made to other government entities, loans, direct payments, and payments to individuals that are **below \$50,000**.

This information will be accounted for by expenditure category at the project level.

# Key Procurement Responsibilities #5:

- EC must be used to categorize each project.
- \* **symbol** denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions.
- ^ **symbol** denotes areas where recipients must report on whether projects are primarily serving disadvantaged communities.
  - **Project demographic distribution**

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.)*
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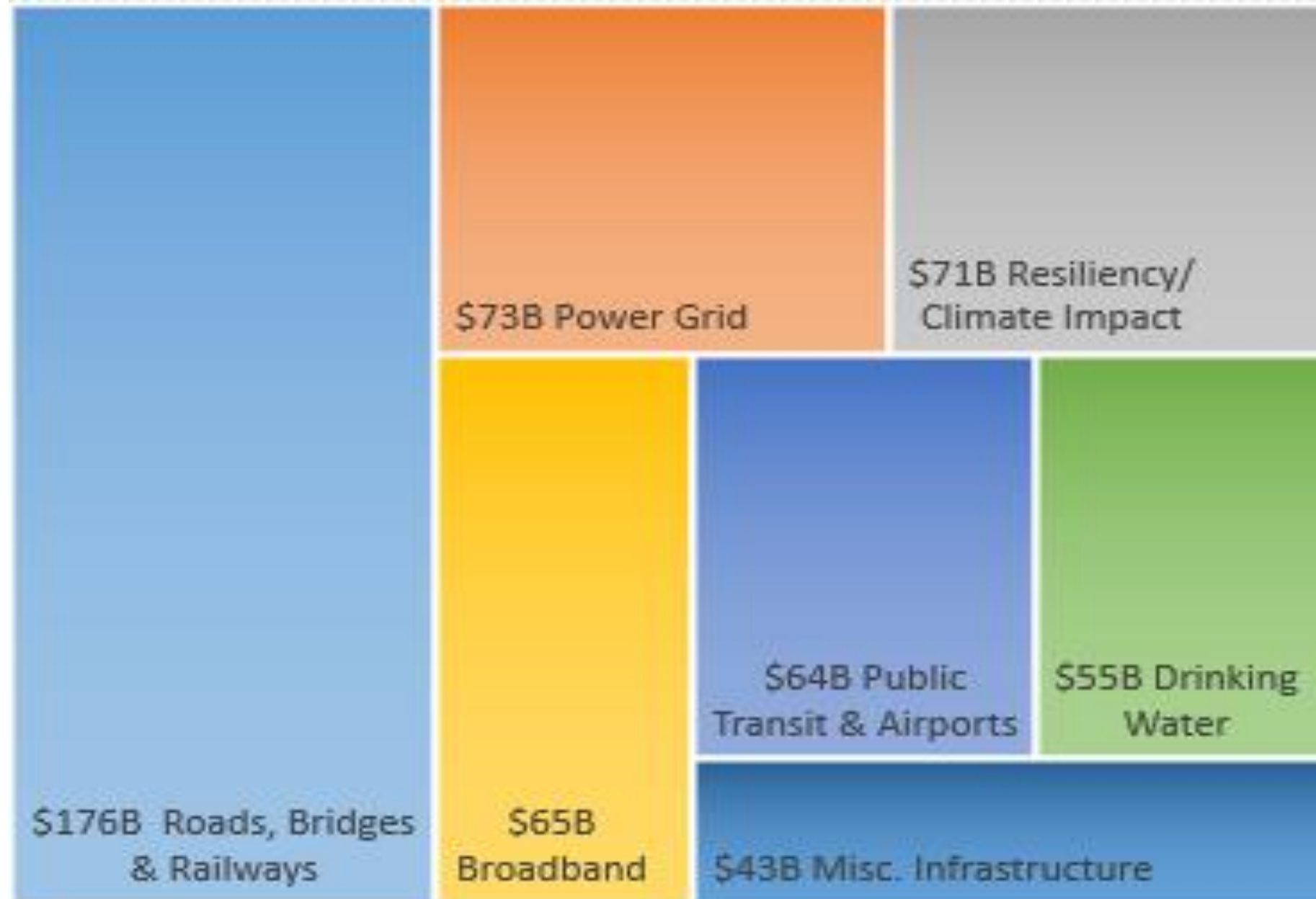


# Part 3: The Bipartisan Infrastructure Law

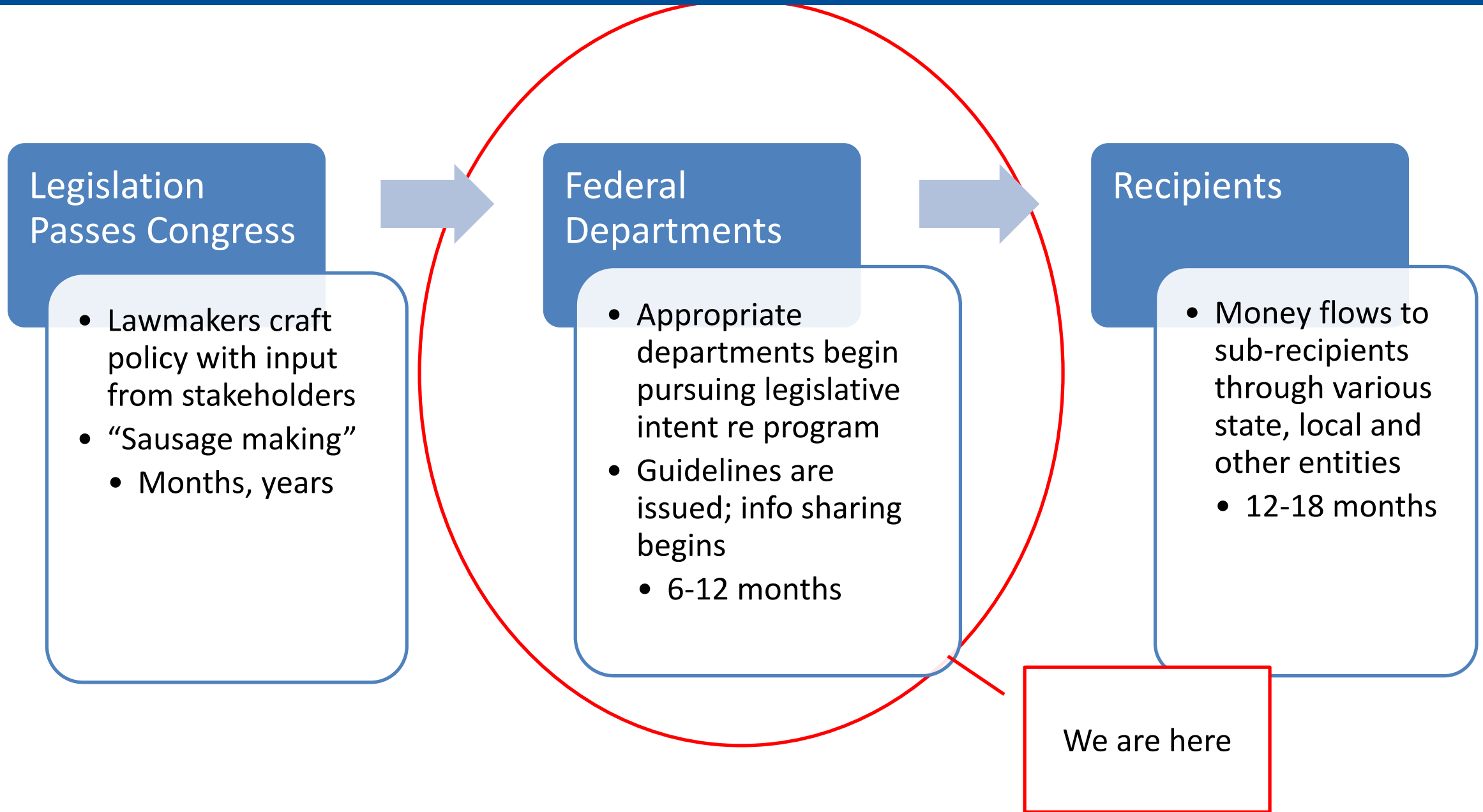


# Infrastructure Investment & Jobs Act (MB)

- \$1.2 Trillion total price tag
- \$550 Billion in new money
- Most monies distributed over 5-year period



# Legislation to Deliverables



# Recurring Key Concepts

## ■ Equity

- ❖ Workforce expansion grants
- ❖ Supply chain considerations
- ❖ Bridge building/noninterstate highway considerations (FHA)

## ■ Sustainability

- ❖ “Build Back Better”
- ❖ Grant programs and audits will include sustainability metrics

## ■ Partnering

### ❖ With your state

- ☐ Local and regional “significance” in the projects
- ☐ Nonfederal match will still be a requirement. 10 on water, 20 on roads

### ❖ With private partners

- ☐ Documenting P3 successes
- ☐ VFM Analysis associated with large projects (is privatizing cheaper/faster/better?)

# Key Procurement Considerations of IIJA

- Expanding domestic preference procurement policies applicable to federal financial assistance programs for public works infrastructure.
- Increasing the domestic component content requirements of products and construction materials sold to the federal government under the Buy American Act.
- Providing transparency into the government's domestic sourcing contracting decisions.
- *Build America, Buy America (aka BABA) Unless:*
  - When there is inconsistency with the public's interest.
  - Where the necessary volume of iron, steel, and manufactured products is not produced in sufficient quantities or satisfactory quality.
  - Where enforcement of Buy America would increase the cost of the project by more than 25%



Thank you!