



Department of  
**Finance &  
Administration**

# ARPA Local Fiscal Recovery Fund Local Government Assistance

*Tennessee Government Finance Officers Association Fall Conference  
September 30, 2021*

# Objectives

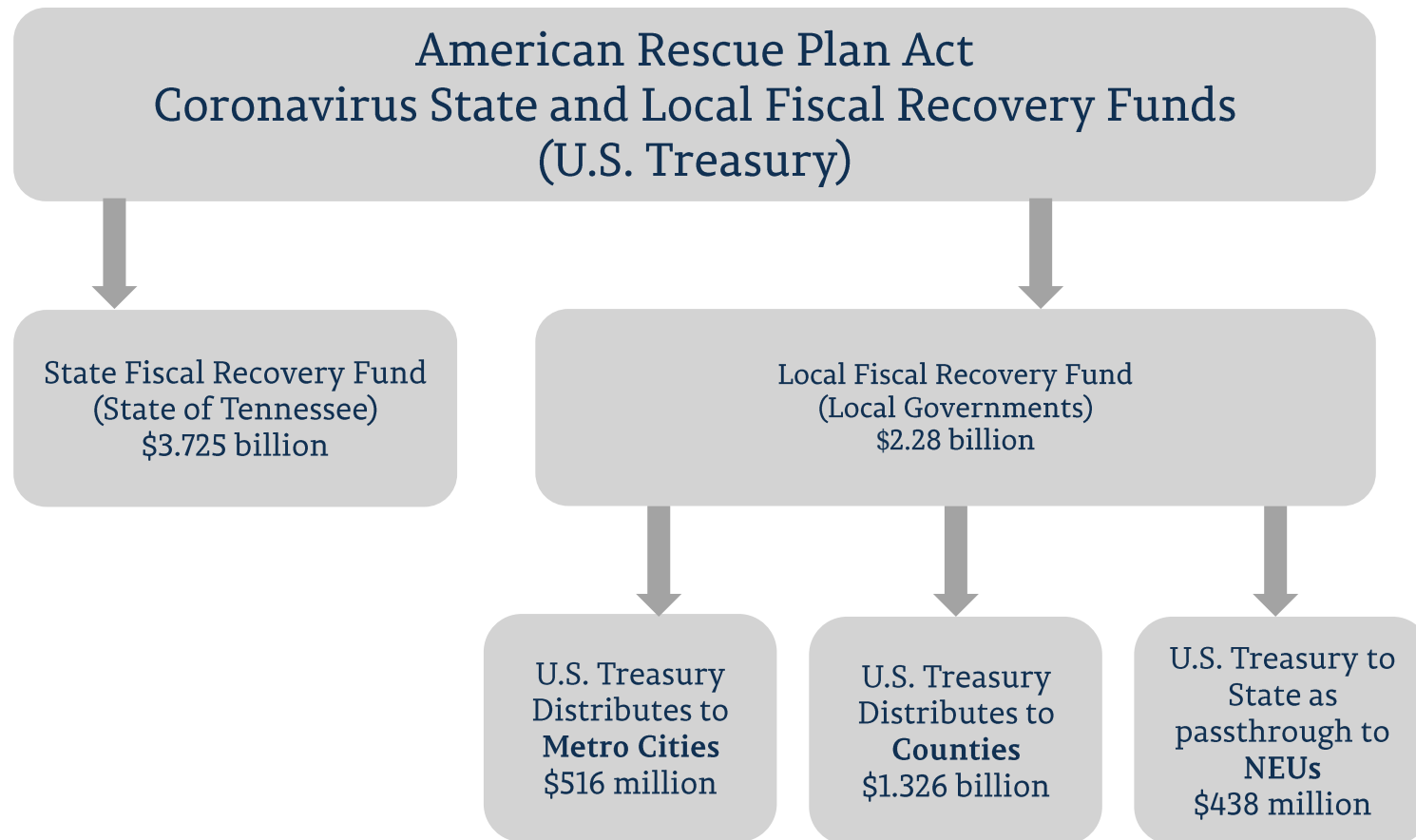
- Distributions to NEUs
- Local Government Technical Assistance Program
- Coronavirus State and Local Fiscal Recovery Fund overview
- Overview of recipient responsibilities
- Reporting requirements
- Next steps for local governments



# Distributions to NEUs

# American Rescue Plan Act

## State and Local Fiscal Recovery Funds



# NEU Distribution Timeline

September 30, 2021	State requests funds from U.S. Treasury
September 30, 2021	NEU request for payment due
Early October 2021	State receives first tranche of funds from U.S. Treasury
Late October/Early November 2021	State distributes first tranche of funds to NEUs
November 2021	State reallocates funds from non-responsive NEUs
October 2022	State receives second tranche of funds from U.S. Treasury
October 2022	State distributes second tranche of funds to NEUs

# Status of NEU Requests

- Total # NEUs – 327
- Total # NEUs that have requested payment – 251
- Total # NEUs that have NOT requested payment - 76

# NEUs without Request for Payment (as of 9/28/2021)

- Adams
- Adamsville
- Beersheba Springs
- Belle Meade
- Berry Hill
- Bethel Springs
- Blaine
- Bolivar
- Braden
- Bradford
- Burlison
- Burns
- Byrdstown
- Calhoun
- Cedar Hill
- Chapel Hill
- Collegedale
- Crab Orchard
- Cross Plains
- Crossville
- Dowelltown
- Doyle
- Ducktown
- Fayetteville
- Finger
- Forest Hills
- Gadsden
- Garland
- Gibson
- Graysville
- Henning
- Henry
- Hickory Valley
- Humboldt
- Huntingdon
- Jacksboro
- Jamestown
- La Grange
- Lawrenceburg
- Lexington
- Liberty
- Linden

# NEUs without Request for Payment (as of 9/28/2021)

- Lynnville
- McEwen
- McKenzie
- McLemoresville
- Madisonville
- Mason
- Medon
- Milledgeville
- Millersville
- Mitchellville
- Morrison
- Mountain City
- New Hope
- Normandy
- Oak Hill
- Parrottsville
- Philadelphia
- Pigeon Forge
- Pittman Center
- Pulaski
- Puryear
- Saulsbury
- Savannah
- Sharon
- Spring Hill
- Toone
- Trezevant
- Trimble
- Viola
- Watertown
- Westmoreland
- White Bluff
- Whiteville
- Yorkville



# How to Request Funds

- Gather required information and documentation
- Access TN ARPA Program Management Portal
  - Access portal [here](#) or by navigating to [www.tn.gov/finance](http://www.tn.gov/finance) and selecting “Local Government Finance,” for navigation to Non-Entitlement Units information.
- Submit request for payment with required information and documentation

# Required Documentation

- Local government name, Entity's Taxpayer Identification Number, DUNS number, and address
  - NEU must have DUNS number prior to submitting request for payment
- Authorized representative name, title, and email
- Contact person name, title, phone, and email
- Financial institution information
  - Deposit to monthly shared state tax payments account
  - Deposit to existing LGIP account
  - Creation of and deposit to new Tennessee LGIP account
  - Paper check

# Required Documentation

- Total annual budget
  - Defined as most recent budget in effect as of January 27, 2020, including both operating and capital budgets.
  - State calculated and provided total annual budget according to its records and the NEU may confirm the state's calculation or provide the total annual budget per the NEU's records.
  - For purposes of calculating the total annual budget for local governments in the State of Tennessee, the State used the FY 2020 budget as submitted to the Tennessee Comptroller, including all governmental and enterprise funds and excluding trust funds in its calculation. If a FY 2020 budget was not filed with the Tennessee Comptroller, budget amounts from the most recent audit were used.

# Required Documentation

- Signed Award Terms and Conditions Agreement
- Signed Assurance of Compliance with Title VI of the Civil Rights Act of 1964
- SAM.gov registration
  - This may be completed after submitting request for payment but must be completed prior to reporting to U.S. Treasury.

# Navigating the Portal

- Portal access was granted to listing of contacts on file with Department of Finance & Administration.
- Please contact [TNARPA.support@hornellp.com](mailto:TNARPA.support@hornellp.com) if you are unsure who in your city has access to the portal.
- Registered portal users will receive emails from [noreply-outsistemas@hornellp.com](mailto:noreply-outsistemas@hornellp.com).

# Navigating the Portal

home2.outsystemsenterprise.com/PM\_Tennessee/Login

## American Rescue Plan Act

Program Management Portal


**TN** Department of Finance & Administration

## Welcome to Program Management Portal

Sign In to continue

Email \*

Password \*

I'm not a robot  reCAPTCHA  
Privacy • Terms

Sign In

[Forgot your password?](#)

# Navigating the Portal

## American Rescue Plan Act

Program Management Portal



## Security Verification

In order to further verify your identity, enter the confirmation code we sent to your email address.

Did you not receive the email? [Send it again.](#)

[Validate Code](#)

[Back to Sign In](#)

# Navigating the Portal

Dashboard My Requests My Entity self

## TN City #1

Last Update 23 Jul 2021

### Information See All

**Entity Type:** Local Government  
**County:** Clay  
**Mailing Address:** 123 Street Name City 12345

### Programs

Total programs  
**1**

### Requests See All

Total  
**4**

- Pending Confirmation
- Confirmed
- Under Review

## Programs

Search by program name or ID All Types

ID	Program Name	Program Type	Last Update
10	Local Government Assistance #1	ARPA	28 Sep 2021 10:15

1 to 1 of 1 items

>

↑



# Navigating the Portal

Dashboard My Requests My Entity sef

Dashboard > Local Government Assistance #1

## Local Government Assistance #1

[New Payment Request](#)

Program Information				
Short Description	Type	Creation Date	Status	
	ARPA	23 Jul 2021 11:20	Active	▼



# Navigating the Portal



Dashboard

**My Requests**

My Entity

sef

Dashboard > Local Government Assistance #1 > Payment Request

## New Payment Request

Cancel

Save as Draft

Submit

To request payment of Coronavirus Local Fiscal Recovery Funds (FRF) to your non-entitlement unit of local government, please provide the information listed below:

### Entity Information

Name

TN City 1

DUNS Number \*

Tax Identification Number \*

Address \*

Is your local government registered in the Federal System of Award Management (SAM)?

Yes

No

Please register with [SAM.gov](https://sam.gov) after submitting this application.

TN

Department of  
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# Declination of Funds

- NEUs who do not wish to receive their FRF allocations may elect to transfer their allocation back to the State.
- If an NEU transfers its allocation back to the State, the NEU's allocation will be added to the State's overall State Fiscal Recovery Fund allocation, and the NEU will no longer be legally obligated under the award with respect to accounting for the uses of the funds and the reporting on such uses.
- The allocations to NEUs who are non-responsive and do not submit a Request for Payment or Decline of Funds Notice will be reallocated to the remaining NEUs.



**Local Government  
Technical Assistance  
Program**

# Local Government Technical Assistance Program

- All local governments who receive funds under the FRF will be responsible for reporting requirements imposed by Treasury and will be financially liable for any expenditures that are deemed ineligible.
- Objective of the program is to aid local governments in addressing the challenges presented by managing this unprecedented funding.
- Program will ensure all local governments have access to resources and unified communications from State officials, and a consistent protocol for planning and implementing the ARPA funds.

# Local Government Technical Assistance Program

- The program open to all counties, metropolitan cities, and NEUs who receive funds under FRF at no cost.
- Program will consist of:
  - Webinar series over the course of ten weeks
  - Eligibility review of annual spend plans
  - Ongoing communication via State FRF website and monthly newsletter

# Webinar Dates and Topics

- 9/15/2021 – Overview of Local Fiscal Recovery Fund & Your Responsibility
- 9/22/2021 – Treasury Reporting Requirements
- 9/29/2021 – Eligibility: Water & Sewer Infrastructure with TDEC
- 10/6/2021 – Eligibility: Broadband Infrastructure with ECD
- 10/13/2021 – Eligibility: Revenue Loss
- 10/20/2021 – Eligibility: Public Health Response
- 10/27/2021 – Eligibility: Economic Response
- 11/2/2021\* – Eligibility: Equity-Based Services
- 11/10/2021 – Eligibility: Premium Pay
- 11/17/2021 – Spend Plan Development (Eligibility Review)

\*NOTE: This webinar will take place on a Tuesday instead of Wednesday.

# Technical Assistance Program Spend Plan Eligibility Review

- Local governments may develop annual spend plans and submit through online portal for review.
- Spend plans will include listing of planned or proposed projects funded by FRF and include detailed information needed to determine the eligibility of each project.
- State contractor will review spend plans and provide guidance and feedback regarding the eligibility of expenses.
- Eligibility review of spend plans will not transfer the liability for any ineligible expenditures to the State
- Spend plan template will be provided and reviewed in webinar series



# Spend Plan Eligibility Review

## **\*\*\*DISCLAIMER REGARDING ELIGIBILITY REVIEW STATEMENTS\*\*\***

The State of Tennessee will review all spend plans submitted by local units of government in an effort to assist you with the compliant use of your American Rescue Plan (ARP) allocation. The information provided in our review is meant to be advisory in nature and is not a determination of eligibility or fact finding. This review is meant to assist you, the local government, in assessing your priority spending projects as they relate to the guidelines provided by U.S. Treasury regarding ARP eligible expenditures. All local governments will ultimately be liable for any expenditures that are not in compliance with U.S. Treasury guidelines. Participating in this review process does not eliminate the local government's obligation to comply with U.S. Treasury eligibility and reporting guidelines.

# Spend Plan Eligibility Review

- Below are examples of information that will be requested on the spend plan template:
  - In 50 – 250 words, describe the project in sufficient detail to provide understanding of the major activities that will occur.
  - Identify the need that occurred due to or was exacerbated by the COVID-19 pandemic that this project addresses.
  - Describe how this project positively addresses the harm identified above.
  - Does this project promote equitable outcomes for populations disproportionately impacted by the COVID-19 pandemic? If so, please describe the population and how this project promotes equitable outcomes in this population.
  - How do you intend to regularly monitor and document project successes and outcomes?

# Eligibility Review Timeline

- **January 4, 2022** – Portal opens for submission of local government annual ARPA spend plans for state review.
- **January 4 – April 30, 2022** – State reviews local plans and provides feedback and guidance to local governments in response.
- **May 1 – June 30, 2022** – Local governments are encouraged to integrate local government spend plans into local government budgets to be submitted and approved by the state comptroller.



# State and Local Fiscal Recovery Fund Overview

# American Rescue Plan Act

## State and Local Fiscal Recovery Funds

- Coronavirus State and Local Fiscal Recovery Funds (FRF) were established by the American Rescue Plan Act (ARPA) to aid state and local governments in making long-term investments that will reverse the negative public health and economic impacts caused by the pandemic.
- Once in a lifetime funding that should be used to make long-term generational impact changes in your community.

# FRF Eligible Expenses

- Support the Public Health Response
- Address Negative Economic Impacts
- Infrastructure (Only Water, Sewer, Broadband)
- Premium Pay for Essential Workers
- Replace Public Sector Revenue Loss
- Provide Equity-Based Services for Disproportionately Impacted Populations

# FRF Ineligible Expenses

- Net reduction in tax revenue.
- Deposits into pension funds.
- Funding debt service, legal settlements, or judgments.
- Deposits to rainy day funds or financial reserves.

# Period of Performance

- Funds must be expended between March 3, 2021, and December 31, 2026, with all funds obligated by December 31, 2024.





# Overview of Recipient Responsibilities

# Overview of Recipient Responsibilities

- Local governments who receive funds under the FRF are considered direct recipients of U.S. Treasury.
- Local governments hold ultimate responsibility for complying with U.S. Treasury guidance and statutes including determining the eligibility of expenditures.
- Local governments must comply with all reporting requirements as outlined by U.S. Treasury.
- Local governments are financially liable to U.S.

Treasury for any expenses deemed unallowable by U.S. Treasury

# Overview of Recipient Responsibilities- BEFORE Funds are obligated/spent

**Prior to obligating or spending funds, local governments should:**

- Assess your communities' needs as they relate to the pandemic and FRF and identify potential use of funds.
- Ensure internal controls are in place.
- Establish processes for determination of allowability and approval of use of funds.
- Allocate funds to approved projects.

# Overview of Recipient Responsibilities

## **Once use of funds are allocated, local governments should:**

- Administer funds in compliance with FRF, Award Terms and Conditions, and the Uniform Guidance.
- Monitor progress and outcomes of projects.
- Ensure record retention policies are in compliance with FRF requirements.
- Provide required reporting to U.S. Treasury.
- Comply with Single Audit Requirements

# Uniform Guidance

Administration of the funds in accordance with FRF includes compliance with 2 CFR Part 200 (Uniform Guidance):

- Cost principles
- Subrecipient monitoring
- Procurement standards
- Suspension and debarment regulations
- Equipment and real property management
- Conflict of interest policy
- Duplication of benefits

# Subrecipient and Contractor Determinations

- Local government must determine if an entity it provides FRF dollars to is a subrecipient, contractor, or other beneficiary.
- **Subrecipient** relationships are created when the recipient creates a subaward with another entity for the purpose of carrying out a portion of its Federal award.
- **Contractors** relationships are created when the recipient contracts with another entity for the purpose of obtaining goods and services for the recipient's own use and creates a procurement relationship with the contractor.
- **Other beneficiaries** include other entities who receive funds as beneficiary under a program (i.e business that receives funds from a Small Business grant program).

# Subrecipient and Contractor Determination

- Subrecipient is defined as an entity who:
  - Determines who is eligible to receive what Federal assistance;
  - Has its performance measured in relation to whether objectives of a Federal program were met;
  - Has responsibility for programmatic decision-making;
  - Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
  - In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through

# Subrecipient and Contract Determination

- Contractor is defined as an entity that:
  - Provides the goods and services within normal business operations;
  - Provides similar goods or services to many different purchasers;
  - Normally operates in a competitive environment;
  - Provides goods or services that are ancillary to the operation of the Federal program; and
  - Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.
- Subrecipient versus contractor determination requires use of judgement.
- The substance of the relationship is more important than the form of the agreement .



# Subrecipient Monitoring

- Local governments who create subrecipient relationships are required to clearly identify to the subrecipient:
  - that the award is a subaward of SLFRF funds;
  - any and all compliance requirements for use of SLFRF funds;
  - and any and all reporting requirements for expenditures of SLFRF funds.
- Identification to subrecipient accomplished through executed subrecipient agreements.
- Subrecipient agreement documents should be retained.

# Subrecipient Monitoring

- Local governments are ultimately responsible for the proper use of funds, included those awarded to and administered by subrecipients.
- Local Government should assess the capacity and risk of non-compliance of the subrecipient before awarding funds. This includes evaluation the following:
  - Prior experience managing federal funds,
  - Knowledge of program requirements,
  - Size and complexity of program,
  - Previous audit findings,
  - Personnel,
  - Subrecipient's policies and procedures for award execution and oversight.

# Subrecipient Monitoring

Local government is required to have oversight mechanisms in place to track the progress and monitor performance of its subrecipients. They should:

- Develop policies and procedures for gauging the performance of the programs/projects
- Determine how issues such as nonperformance and findings will be resolved in a timely manner
- Use the results of the subrecipient's assessment to develop any required training and/or technical assistance
- Determine the level of risk associated with subrecipients

# Subrecipient Monitoring

- Based on the level of risk, identify a schedule for reviewing subrecipient activities and share the schedule with the subrecipient
- Establish milestones, and include them in the subrecipient agreement
- Track financial progress
- If progress is not made:
  - Provide feedback to subrecipient
  - Work together to identify a solution
  - Develop a plan to meet performance requirements
  - If performance does not improve according to the plan, follow through on identified corrective action

# Procurement

- Procurement is the act of obtaining goods or services from an external source.
- Local government must have documented policies and procedures related procurement contracts that are consistent with standards set forth in Uniform Guidance as well as local and State laws and regulations.
- Procurement transactions for property or services must be conducted in a manner providing full and open competition, except in instances when non-competitive procurement is allowed.

# Procurement

- Procurement Methods
  - Informal – for purchases under *simplified acquisition threshold* of \$250,000
    - price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the entity.
  - Formal – for purchases exceeding *simplified acquisition threshold*
    - Require following documented procedures and require public advertising
    - Sealed bids and proposals.
  - Noncompetitive procurement – allowed for:
    - Purchases under the micro-purchase threshold of \$10,000,
    - Purchases when good or service is only available from single source,
    - Public exigency or emergency situations which will not permit a delay from publicizing a competitive solicitation,
    - Purchases when competition is deemed inadequate after solicitation of a number of sources

# Equipment and Real Property Management

- Equipment and real property purchased using FRF dollars must be used for the originally authorized purpose for the length of the program.
- Local governments may retain assets purchased with FRF dollars after program expires.
- If assets are disposed of prior to December 31, 2024, local government must use proceeds for allowable expenses.
- Acquisition and maintenance of equipment or real property must be in compliance with relevant laws and regulations.

# Records Retention

- Local government must maintain records and financial documents for five years after all funds have been expended.
- Documents maintained should include:
  - Agreements signed to draw down funds
  - Documentation of policies and procedures
  - Documentation of allowability determination
  - Documentation of approval use of funds
  - Contracts, subrecipient agreements, awards to beneficiaries
  - Documentation of costs including proof of purchase (invoices, receipts, etc.), proof of payment, & documentation tying cost to authorized use





# U.S. Treasury Reporting

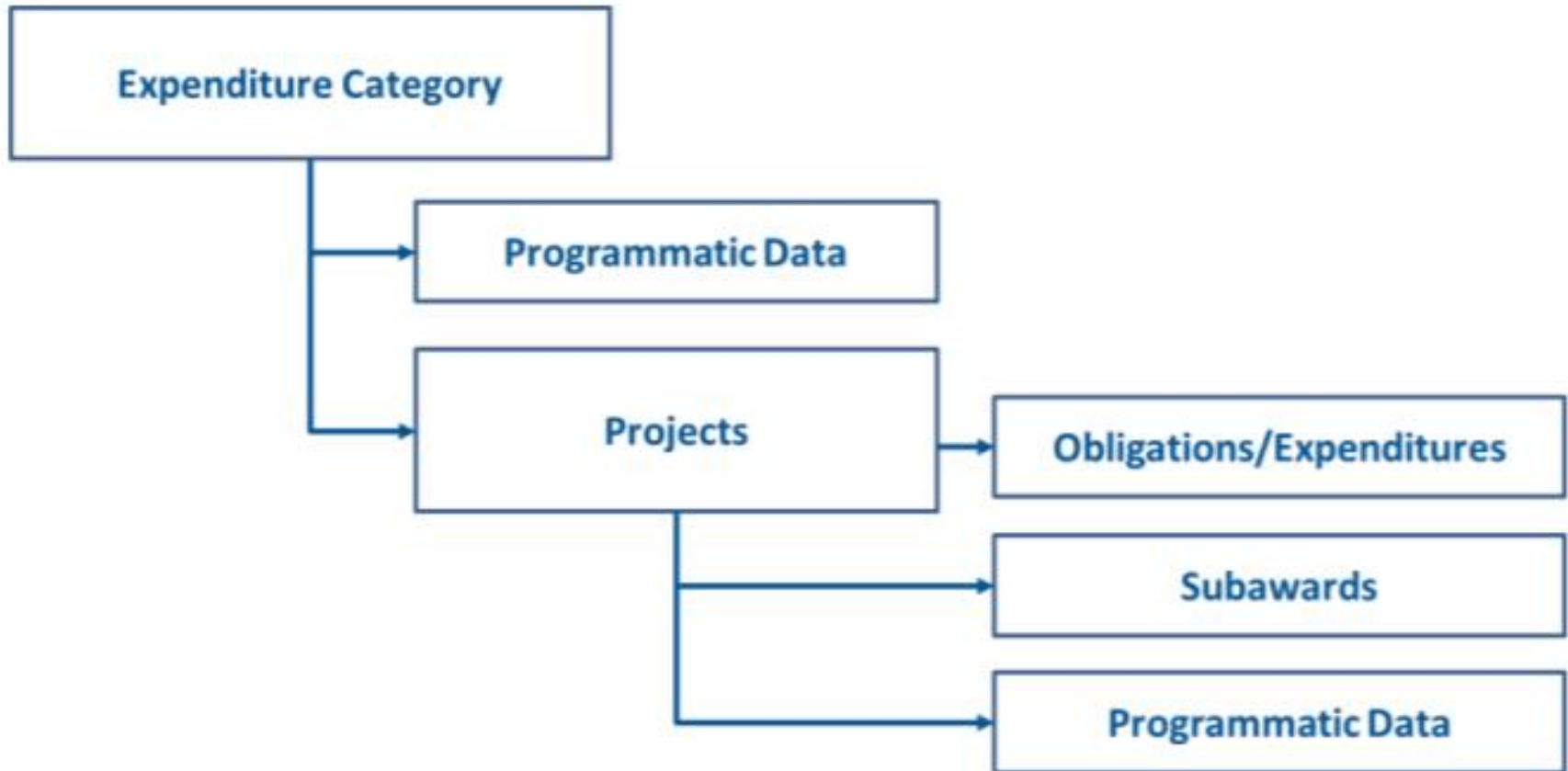
# Types of U.S. Treasury Reports

- Interim Report
- Recovery Plan Performance Report
- Project and Expenditure Report

# Reporting Deadlines & Frequency

Recipient	Interim Report	Project and Expenditure Report	Recovery Plan Performance Report
States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents	By August 31, 2021, with expenditures by category	By October 31, 2021, and then 30 days after the end of each quarter thereafter <sup>9</sup>	By August 31, 2021, and annually thereafter by July 31 <sup>10</sup>
Metropolitan cities and counties with a population below 250,000 residents which received more than \$5 million in SLFRF funding			Not required
Tribal Governments		By October 31, 2021, and then annually thereafter <sup>11</sup>	Not required
Metropolitan cities and counties with a population below 250,000 residents which received less than \$5 million in SLFRF funding	Not required		
NEUs			

# Reporting Elements



# Key Terms

- **Expenditure category** – Coding system provided by Treasury to track funding. Treasury provided a detailed listing of 66 expenditure categories.
- **Project** – Set of closely related activities directed toward a common purpose.
  - New or existing eligible government services or investments funded in whole or in part by FRF funding.
  - Projects should align to a single Expenditure Category.
- **Programmatic data** – additional information and metrics required for projects under certain expenditure categories.

# Key Terms

- **Obligation** - order placed for property and services, contracts and subawards made, and similar transactions that require payment.
- **Expenditure** - amount that has been incurred as a liability of the entity (the service has been rendered or the good has been delivered to the entity).
- **Subaward** – includes any contracts and grants awarded, loans issued, transfers made to other government entities, and direct payments made by the recipient.

# Project and Expenditure Report

- Project and expenditure report provides detailed information on projects funded, expenditures, contracts and subawards over \$50,000, and other information.
- Applicability
  - All recipients are required to submit Project and Expenditure Reports

# Frequency and Due Dates

- Frequency
  - Quarterly Reporting
    - Metropolitan cities and counties that received more than \$5 million in SLFRF funding
  - Annual Reporting
    - Metropolitan cities and counties that received less than \$5 million in SLFRF funding
    - NEUs
- Due date
  - October 31, 2021
  - Guidance on due dates for local governments who have not yet received funds is forthcoming



# Required Information

- Project information
- Expenditures
- Subawards
- Required programmatic data (other than infrastructure projects)
- Required programmatic data (infrastructure projects)
- Project demographic distribution
- Civil Rights Act compliance
- Signed Terms and Conditions and Assurances of Compliance with Civil Rights Requirements (NEUS only)

# Project information

- Project name
- Project identification number (created by the recipient)
- Expenditure category
  - Projects are limited to one expenditure category per project
- Project description (50 – 250 words)
  - Should include sufficient detail to provide understanding of the major activities that will occur.
- Status of completion
  - Not Started
  - Completed less than 50 percent
  - Completed 50 percent or more
  - Completed

# Expenditures

- **Project obligations and expenditures** - Recipient must include amounts obligated and expended for each project.
  - Current period obligation
  - Cumulative obligation
  - Current period expenditure
  - Cumulative expenditure
- **Subawards** – Recipient must also provide detailed obligation and expenditure information for any contracts and grants awarded, loans issued, transfers made to other government entities, and direct payments made by the recipient that are greater than or equal to \$50,000.

# Subawards over \$50,000

- Contracts, Grants, Loans, Transfers, Direct Payments greater than \$50,000 require the following information:
  - Subrecipient identifying and demographic information (e.g., DUNS number and location)
  - Award number (e.g., Award number, Contract number, Loan number)
  - Award date, type, amount, and description
  - Award payment method (reimbursable or lump sum payment(s))
  - For loans, expiration date (date when loan expected to be paid in full)
  - Primary place of performance
  - Related project name(s)
  - Related project identification number(s) (created by the recipient)
  - Period of performance start date
  - Period of performance end date
  - Current period obligation amount
  - Current period expenditure amount

# Subawards under \$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.
- Aggregate information will be accounted for by expenditure category at the project level.

# U.S. Treasury Reporting Resources

- U.S. Treasury Recipient Compliance and Reporting Responsibilities webpage
- Compliance and Reporting Guidance
  - Listing of Expenditure Categories may be found in Appendix 1.
- User Guide: Treasury's Portal for Recipient Reporting
  - At this time, this document provides guidance on the Interim Report and the Recovery Plan and Performance Report.
  - Additional guidance regarding the Project and Expenditure report is forthcoming.

# How to Submit

- U.S. Treasury Reporting will be submitted through the U.S. Treasury Submission Portal.
- Access to the submission portal will be granted to the Authorized User and Contact Person.
- NEUs must register at SAM.gov prior to submitting first report.
- Additional guidance regarding reporting deadlines for those who have not yet received funds will be made available.



Next Steps



# Next Steps

- Exercise caution when expending funds.
- Identify parties responsible for administering funding.
- Evaluate existing written processes and procedures and update or create new processes and procedures as needed.
- Develop record retention and reporting strategies.
- Work with local government stakeholders to identify potential eligible use of funds.
- Request funding.
- Participate in Local Government Technical Assistance Program.

# ARPA Resources

- [U.S. Treasury Interim Rule](#)
- [U.S. Treasury FAQs](#)
- [U.S. Treasury Compliance and Reporting Guidance](#)
- [2 CFR 200 \(Uniform Guidance\)](#)
- [State of Tennessee FRF webpage](#)
- [Tennessee Comptroller of the Treasury resources](#)
- [TDEC ARPA Water Infrastructure Site](#)

# Questions?

Please contact [TNARPA.Support@hornellp.com](mailto:TNARPA.Support@hornellp.com).