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SBOA ARPA information: www.sboa.in.gov


COVID-19 Resources

- American Rescue Plan (ARP) Act Information
- Coronavirus Aid, Relief, and Economic Security (CARES) Act Information



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American Rescue Plan (ARP) Act Information

[Title-By-Title Summary of the American Rescue Plan](#)

- State and local allocation information can be found on U.S. Department of the Treasury's [website](#).

[Directive 2021-1 - Accounting for ARP and Specific Processes for Subtitle M](#)

[Accounting Processes for ARP Subtitle M-Coronavirus State and Local Fiscal Recovery Funds](#)

US Treasury Pre-Award Requirements:

- Valid DUNS Number <https://fedgov.dnb.com/webform/> or call 1-866-705-5711
- Active SAM Registration [SAM.gov](https://sam.gov)
- Treasury [Website](#)

[Interest Earned on ARPA Funds 6-15-21](#)


- [Interest Earned on ARPA Funds Update 7-08-21](#)

[Revenue Reduction Calculation Video](#)

- [Revenue Reduction Presentation](#)
- [Annual Financial Report - Receipt Code Inclusions/Exclusions](#)
- [Revenue Diagram](#)

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Additional SBOA information on website:



- www.in.gov/sboa
- Go to Cities or Towns page > Presentation and Training Materials

2021 Monthly Training Sessions

- [Karl - Gateway Training](#)
 - [YouTube Video](#)
- [February Session](#)
- April Session - [Recording](#)
 - [Gordon/Caldwell - American Rescue Plan](#)
 - [Gordon/Caldwell - Enhanced Regulatory](#)

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2022 Monthly Training Sessions

- [January Session](#)
 - [OPEB Recording](#)
- [February Session](#)
 - [Recording](#)
- [April Session](#)
 - [SBOA Resource Library](#)
 - [Recording](#)



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Pre-Award Requirements:

- SBOA E-gov memorandum dated April 16, 2021
- Valid DUNS Number
<https://fedgov.dnb.com/webform/>
or call 1-866-705-5711
- Active SAM Registration SAM.gov
- Treasury Website: home.treasury.gov



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Treasury Websites/information:

Treasury/American Rescue Plan –
<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>



Final Rule –
<https://www.govinfo.gov/content/pkg/FR-2022-01-27/pdf/2022-00292.pdf>

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



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U.S. DEPARTMENT OF THE TREASURY

ABOUT TREASURY **POLICY ISSUES** DATA SERVICES NEWS SEARCH

HOME > POLICY ISSUES > COVID19 ECONOMIC RELIEF > ASSISTANCE FOR STATE, LOCAL, AND TRIBAL GOVERNMENTS > STATE AND LOCAL FISCAL RECOVERY FUNDS

POLICY ISSUES

COVID19 Economic Relief

- Assistance for American Families and Workers
- Assistance for Small Businesses
- Assistance for State, Local, and Tribal Governments**
- State and Local Fiscal Recovery Funds
- Request Funding
- Tribal Governments
- Non-Entitlement Units
- Recipient Compliance and Reporting Responsibilities
- Capital Projects Fund

Coronavirus State and Local Fiscal Recovery Funds

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of the American Rescue Plan, delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency.


The SLFRF program provides governments across the country with the resources needed to:

- Fight the pandemic and support families and businesses struggling with its public health and economic impacts

REQUEST FISCAL RECOVERY FUNDS

RECEIVE COVID-19 RELIEF UPDATES

- Final Rule
- Overview of the Final Rule**
- Final Rule FAQ
- Final Rule Press Release
- Interim Final Rule
- Interim Final Rule FAQs
- Interim Final Rule Quick Reference Guide
- Tribal Government Information
- Non-Entitlement Unit Information
- Compliance and Reporting Guidance



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STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 N. 15th WASHINGTON STREET
BOOMER EAST
INDIANAPOLIS, INDIANA 46204-1785

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.sba.in.gov

STATE EXAMINER DIRECTIVE 2021-1

Date: March 18, 2021

Subject: Accounting for American Rescue Plan Act (ARP) Accounting Procedures for Subtitle M-Coronavirus State and Local Fiscal Recovery Funds

Authority: IC 5-11

Application: This Directive applies Counties, Cities, and Towns

From: Paul D. Joyce, CPA, State Examiner

The purpose of this directive is to prescribe the accounting procedures for federal assistance received through the American Rescue Plan Act of 2021 (ARP).

Separate Fund Required. Assistance provided through the ARP must be received into a separate fund. There are many funding processes in this Act. A separate fund must be established for each separately identified assistance provided with ARP in the naming title.

The fund name and number for each ARP grant fund must be assigned as follows:

Counties: ARP Name of Grant; Fund Number Range 8950-8975
Cities and Towns: ARP Name of Grant; Fund Number Range 176-199

ARP Coronavirus Local Fiscal Recovery Fund. Counties, Cities, and Towns will each receive an allocation of Coronavirus State and Local Fiscal Recovery Funds. Each local unit that receives an allocation from the Coronavirus Local Fiscal Recovery Fund under Section 603 of the Social Security Act, as added by Section 9501 of the ARP, shall establish by ordinance a separate local grant fund called the ARP Coronavirus Local Fiscal Recovery Fund with the fund number range described above. For a county, the ARP grant fund must be established by ordinance of the County Commissioners. For a city or town, the ARP grant fund must be established by ordinance of the legislative body. The ordinance must specify the uses of the fund in accordance with the purposes outlined in Section 603(c). The ordinance should reference a plan that will provide the details for the use of these funds. All money received from the Local Fiscal Recovery Fund must be received into the separate ARP grant fund.

Before money in the fund is disbursed, the fiscal body must appropriate the money in the fund for a use consistent with Section 603(c) as stated in the adopted ordinance and the plan. Only a local appropriation is needed. To ensure accountability and transparency of the use of these funds, all disbursements must be made from the ARP grant fund; money from the ARP fund may not be transferred to another fund of the county, city, or town.

STATE DIRECTIVE 2021-1
March 18, 2021
Page 2

A detailed accounting of the fund is required by the ARP. All related expenditure records (accounts payable vouchers, minutes, correspondence, contracts, etc.) must be maintained in a separate file for future audits of ARP funds. It is important that you track every dollar disbursed and maintain supporting documentation for those disbursements. Each disbursement must be directly tied to a use listed in Section 603(c). The grant funding may be used to cover costs incurred by December 31, 2024. It is extremely important that these files be complete and accurate for this time period.

If your unit chooses to use the ARP funds to cover costs incurred for the provision of governmental services as provided in Section 603(c)(1)(C), you must maintain detailed calculations of the reduction in revenue due to COVID-19. For purposes of this calculation, the most recent full fiscal year prior to the emergency is 2019.

Note that the use of the funds for the provision of governmental services is limited to the extent of the reduction in revenue due to the COVID-19 public health emergency.

Other ARP Assistance or Grants. Other assistance or grants may be coming through the ARP. As stated above, each form of assistance or grant must be separately identified and accounted in a separate fund with a fund name and number as described. The Indiana State Board of Accounts will prescribe accounting procedures for these funds as more information becomes available.

Internal Controls. Sufficient internal controls over all transactions must be in place. Separate funds, maintaining records, detailed comments that provide audit trails, appropriate approvals, etc. are all part of good internal controls.

These prescribed accounting procedures will promote transparency and accountability of funds received through the Coronavirus Local Fiscal Recovery Fund. This Directive may be amended from time to time and may be rescinded at any time in writing by the State Examiner or Deputy State Examiner.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

SGDO



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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302 N. 15th WASHINGTON STREET
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Fax: (317) 232-4711
Web Site: www.sba.in.gov

MEMORANDUM

TO: Counties, Cities, and Towns

FROM: Timothy B. White, CPA, Deputy State Examiner

RE: Accounting Procedures for ARP Subtitle M-Coronavirus State and Local Fiscal Recovery Funds

DATE: Original March 18, 2021; Updated May 12, 2021 to 15 U.S. Treasury section Local Fiscal Recovery Funds; Updated February 10, 2022 to U.S. Treasury Fiscal Rule; Updated March 22, 2022.

The memorandum has been updated to reflect guidance provided by the U.S. Treasury Fiscal Rule (FR) which may be found at: <https://www.fiscal.treasury.gov/asset-management/2022-03-22-arp-fund-requirements/>. The FR is effective May 12, 2021 and applies to the period 12/31/2021 through 12/31/2024.

The purpose of this memorandum is to provide guidance to the Indiana State Board of Accounts regarding the accounting procedures for the ARP Coronavirus Local Fiscal Recovery Funds. The guidance is intended to be consistent with the requirements of the ARP and the FR. The guidance is intended to be consistent with the requirements of the ARP and the FR. The guidance is intended to be consistent with the requirements of the ARP and the FR.

The Board of Accounts has reviewed the information provided and has determined that the information is consistent with the requirements of the ARP and the FR. The Board of Accounts has determined that the information is consistent with the requirements of the ARP and the FR. The Board of Accounts has determined that the information is consistent with the requirements of the ARP and the FR.

This memorandum is intended to be consistent with the requirements of the ARP and the FR. The Board of Accounts has determined that the information is consistent with the requirements of the ARP and the FR. The Board of Accounts has determined that the information is consistent with the requirements of the ARP and the FR.

(The rest of the memorandum text is partially obscured and difficult to read in the image)



ARP Internal Controls

Control Environment

Risk Assessment

Control Activities

Communication and Information

Monitoring



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What Will Be Needed During an Audit:

- Adopted ARP ordinance & "The Plan"
- Accounting for costs incurred within the ARP fund
- Written internal control procedures / Evidence controls were followed
- Documentation of costs incurred
- Explanation of costs incurred per Section 603 & Treasury guidance
 - Board minutes, attorney opinions, notes
- Uniform Guidance requirements when the amount of federal money expended exceeds \$750,000.



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Uniform Guidance – Compliance Requirements

- There are 12 Compliance Requirements for all Federal Programs
- Main ones for ARP (others could also apply):
 - *Activities Allowed or Unallowed*
 - *Allowable Costs / Cost Principles*
 - *Equipment and Real Property Management*
 - *Period of Performance*
 - *Procurement and Suspension and Debarment*
 - *Reporting*
 - *Special Tests and Provisions*

2 CFR PART 200, APPENDIX XI
COMPLIANCE SUPPLEMENT



August 2020
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

https://www.whitehouse.gov/wp-content/uploads/2020/08/2020-Compliance-Supplement_FINAL_08.06.20.pdf
- Look for Part 3

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Uniform Guidance – Compliance Requirements

- *Procurement and Suspension and Debarment*
- **Procurement**
 - Updated information from Treasury as of July 27, 2022
 - FAQ 13.15
 - Provides which compliance requirements are applicable
 - *“However, given the purpose and very broad scope of eligible uses of the revenue replacement funds, only a subset of the requirements in Subparts D . . . of the Uniform Guidance apply to recipients’ use of such funds.”*



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Uniform Guidance – Compliance Requirements

• Procurement and Suspension and Debarment

Uniform Guidance Subpart D and E Requirements Applicable to Revenue Loss Funds Used for the Provision of Government Services

Subpart D Post Federal Award Requirements

- 200.300 Statutory and national policy requirements.
- 200.302 Financial management.
- 200.303 Internal controls.
- 200.328 Financial reporting.
- 200.329 Monitoring and reporting program performance.
- Record Retention and Access (2 C.F.R. 200.334 – 200.338)
 - 200.334 Retention requirements for records.
 - 200.335 Requests for transfer of records.
 - 200.336 Methods for collection, transmission, and storage of information.
 - 200.337 Access to records.
 - 200.338 Restrictions on public access to records.

Source: US Treasury FAQ 13.15 7/22/22

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Uniform Guidance – Compliance Requirements

• Procurement and Suspension and Debarment

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 - 200.338 Restrictions on public access to records.

Source: US Treasury FAQ 13.15 7/22/22

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200.320 Procurement is not listed as applicable



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Uniform Guidance – Compliance Requirements

- *Procurement and Suspension and Debarment*
- **Procurement**
 - Updated information from Treasury as of July 27, 2022
 - FAQ 13.15
 - Provides which compliance requirements are applicable
 - *“However, given the purpose and very broad scope of eligible uses of the revenue replacement funds, only a subset of the requirements in Subparts D . . . of the Uniform Guidance apply to recipients’ use of such funds.”*
 - As of July 27, 2022, Subpart D 20.320 (Procurement) is NOT listed as applicable.



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Uniform Guidance – Compliance Requirements

- *Procurement and Suspension and Debarment*
- **Procurement**
 - Updated information from Treasury as of July 27, 2022
 - FAQ 13.15
 - Provides which compliance requirements are applicable
 - *“In general, these requirements provide that recipients should not deviate from their established practices and policies regarding the incurrence of costs, and that they should expend and account for the funds in accordance with laws and procedures for expending and accounting for the recipient’s own funds.”*



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Uniform Guidance – Compliance Requirements

- *Procurement and Suspension and Debarment*
- **Procurement**
 - Purchasing supplies/equipment – IC 5-22
 - Acquiring services – IC 5-22-6-1
 - “The purchasing agency of a governmental body may purchase services using any procedure the governmental body or the purchasing agency of the governmental body considers appropriate.”



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Uniform Guidance – Compliance Requirements

- *Procurement and Suspension and Debarment*
- **Suspension & Debarment** (*also referred to as “exclusions”*)
 - 2 CFR 200.214
 - Checking website <https://sam.gov/content/exclusions>
 - Collecting a certification from the person/company that the person/company, or any of the company principals, are not debarred.
 - Have written controls in place as to how you are going to confirm/verify a person/company hasn't been suspended or debarred.
 - Evidence needs to exist to show you have performed this task.
 - Screenshot from the website
 - Other written document

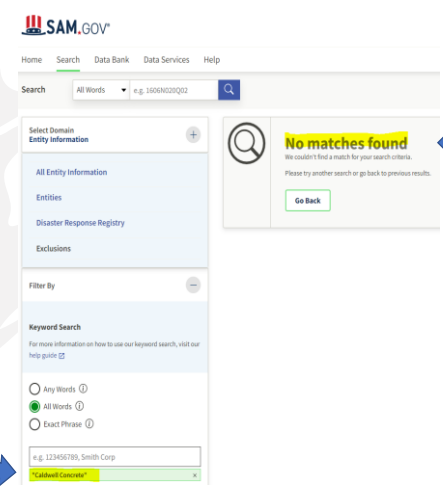


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Uniform Guidance – Compliance Requirements

Procurement and Suspension and Debarment




The screenshot shows the SAM.GOV search interface. The search bar contains the text "e.g. 155561021020". Below the search bar, there are sections for "Select Domain", "Entity Information", "All Entity Information", "Entities", "Disaster Response Registry", "Exclusions", and "Filter By". The "Keyword Search" section is active, showing options for "Any Words", "All Words", and "Exact Phrase". The search results area displays "No matches found" with a message: "We couldn't find a match for your search criteria. Please try another search or go back to previous results." and a "Go Back" button. A blue arrow points to the search bar, and another blue arrow points to the "No matches found" message.

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Revenue Loss vs. Standard Allowance:

The final rule offers a standard allowance for revenue loss of \$10 million, allowing recipients to select between (a) a standard amount of revenue loss or (b) complete a full revenue loss calculation.

Recipients that select the standard allowance may use that amount – in many cases their full award – for government services, with streamlined reporting requirements.

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Accounting for Allowance for Revenue Loss:

- Final Rule – Standard Allowance for revenue loss of up to \$10 million
- In the Reporting that was due April 30, 2022, this election had to be made
- Allowable Uses → “Government Services”
 - Can include raises, bonuses, etc. to any employee – unlike ‘premium pay’



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Government Services:

- Can include the following, but are not limited to,
 - ✓ *maintenance of infrastructure or pay-go spending for building new infrastructure, including roads;*
 - ✓ *modernization of cybersecurity, including hardware, software, and protection of critical infrastructure;*
 - ✓ *health services;*
 - ✓ *environmental remediation;*
 - ✓ *school or educational services;*
 - ✓ *and the provision of police, fire, and other public safety services.*

Source: US Treasury FAQ 2.21 (as of 7/27/2022)



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Government Services:

- Can include raises, bonuses, etc. to any employee
 - Unlike premium pay (to be discussed later)

Audit Documentation Needed:

- ✓ Payroll – approved rate of pay/stipend/bonus; amended salary ordinance, etc.
- ✓ Non-payroll – invoices, contracts, paid receipts, etc.



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Responding to Negative Economic Impact

- Assistance to households & communities
 - Assistance to small businesses & nonprofits
 - Aid to impacted industries
 - Support public sector capacity and workforce
- Source: US Treasury FAQ 2.2 (as of 7/27/2022)
- If it's in your plan to provide grants and programs to respond to the public health emergency or its negative impacts, it's important to have a written agreement with the recipient to document the transaction and detailed explanation of how it meets the goals of the ARPA



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Responding to Negative Economic Impact *(continued)*

- You'll need to maintain records to support the assessment of how businesses or business districts receiving assistance were affected by the negative economic impacts of the pandemic and how the aid provided responds to these impacts.

More information:

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

Final Rule FAQs (7/27/22): <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf>



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What *can't* you use ARPA for:

- Deposits into Pension Funds
- Debt service or replenishing financial reserves (e.g., rainy day funds)
- Satisfaction of settlements and judgments
- Programs, services, or capital expenditures that include a term or condition that undermines efforts to stop the spread of COVID-19



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What *can't* you use ARPA for *(continued)*:

- Deposits into Pension Funds
 - Example: ARPA funds can **NOT** be transferred to INPRS for your city/town pension liability.
 - It can be used for PERF contributions for employees that are paid from ARPA funds (these are payroll costs and not pension funding)
- ARPA funds can **NOT** be transferred to any other funds including the general fund.



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Premium Pay

- Awarded to Eligible Workers up to \$13 per hour
- May not exceed \$25,000 for any single worker during the program
- "Eligible Worker" is defined as workers performing essential work needed to maintain continuity of operations of essential critical infrastructure sectors
 - Designated by chief executive (city = mayor / town = council president)
- Audit Documentation for Premium Pay
 - Justification of premium pay approved by Board




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Premium Pay *(continued)*

- Per Final Rule, elected officials are not eligible for premium pay
- State Examiner Directive 2021-3 as amended discusses this in more detail
 - <https://www.in.gov/sboa/files/ARPA-Premium-Pay-Directive-2021-3.pdf>
- SBOA memorandum (*originally issued 3/18/21 and last updated 3/22/22*) also discusses in more detail, including examples of corrections that can be posted this year if premium pay has been paid to elected officials.



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[Revenue Reduction Calculation Video](#)

- [Revenue Reduction Presentation](#)
- [Annual Financial Report - Receipt Code Inclusions/Exclusions](#)
- [Revenue Diagram](#)

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www.in.gov/sboa -> COVID-19 Resources

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Reporting – Quarterly & Annual

Quarterly

- Metropolitan cities w/populations > 250,000
- Metropolitan cities w/populations < 250,000 but received more than \$10 million

1st report was due 1/31/22

Each subsequent quarterly report due end of the month after the end of the quarter (example – July 1 to September 30 due October 31)



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Reporting – Quarterly & Annual

Annual

- Metropolitan cities w/populations < 250,000 that are allocated less than \$10 million
- New Entitlement Units (NEU) allocated < \$10 million

1st expenditure report was due 4/30/22

Subsequent annual reports will cover one calendar year and are due by April 30.



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Reporting

<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds/recipient-compliance-and-reporting-responsibilities>



U.S. DEPARTMENT OF THE TREASURY

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HOME > POLICY ISSUES > COVID-19 ECONOMIC RELIEF > ASSISTANCE FOR STATE, LOCAL, AND TRIBAL GOVERNMENTS > STATE AND LOCAL FISCAL RECOVERY FUNDS > RECIPIENT COMPLIANCE AND REPORTING RESPONSIBILITIES

Recipient Compliance and Reporting Responsibilities

State, territorial, metropolitan city, county, Tribal governments, and Non-Entitlement Units that receive funding from the State and Local Fiscal Recovery Funds Programs are required to meet compliance and reporting responsibilities. This supports transparency, responsibility, and equity in use of these vital resources.

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of the American Rescue Plan, delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency.



RECIPIENT COMPLIANCE AND REPORTING GUIDANCE

On June 17, 2022, Treasury released the updated Compliance and Reporting Guidance for the SLFRF Program (updated August 15, 2022). The

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Can ARPA dollars be invested?

- Yes - ARPA money can be invested
- Investing does not count as being obligated
 - ✓ Remember, your ARPA dollars must be obligated by 12/31/24



Indiana State Board of Accounts - 2022



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Contact Info



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