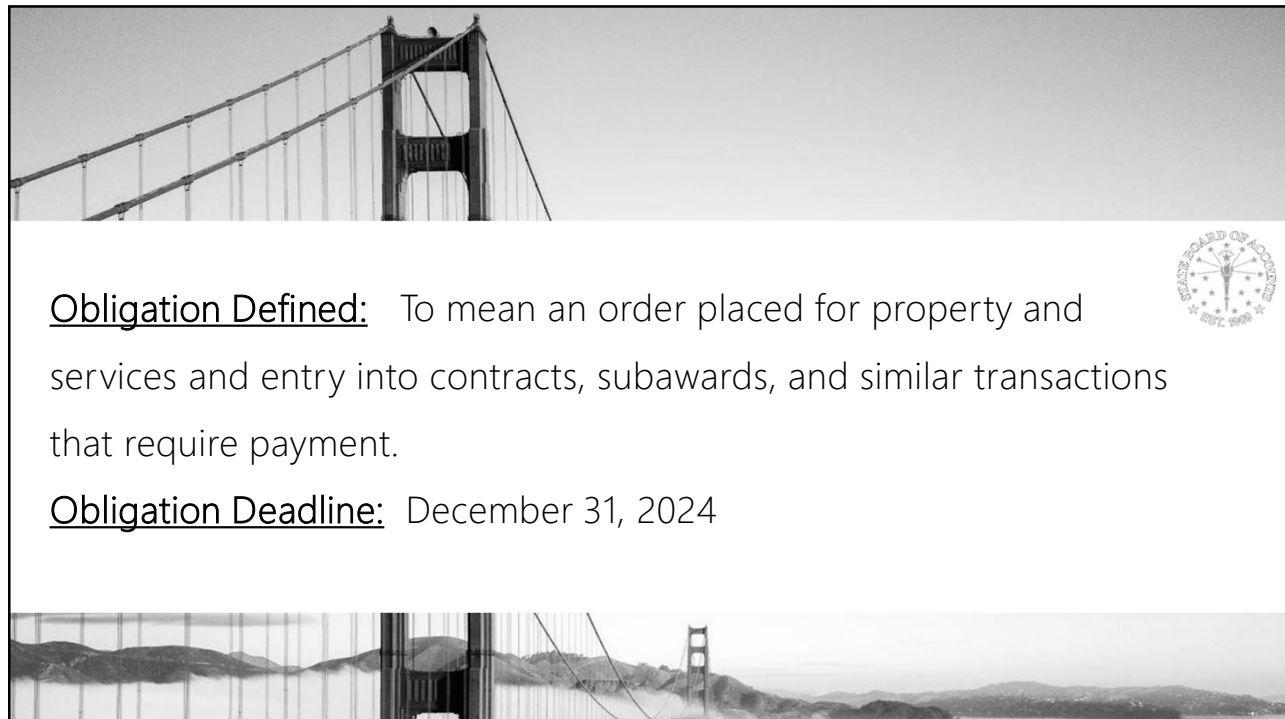

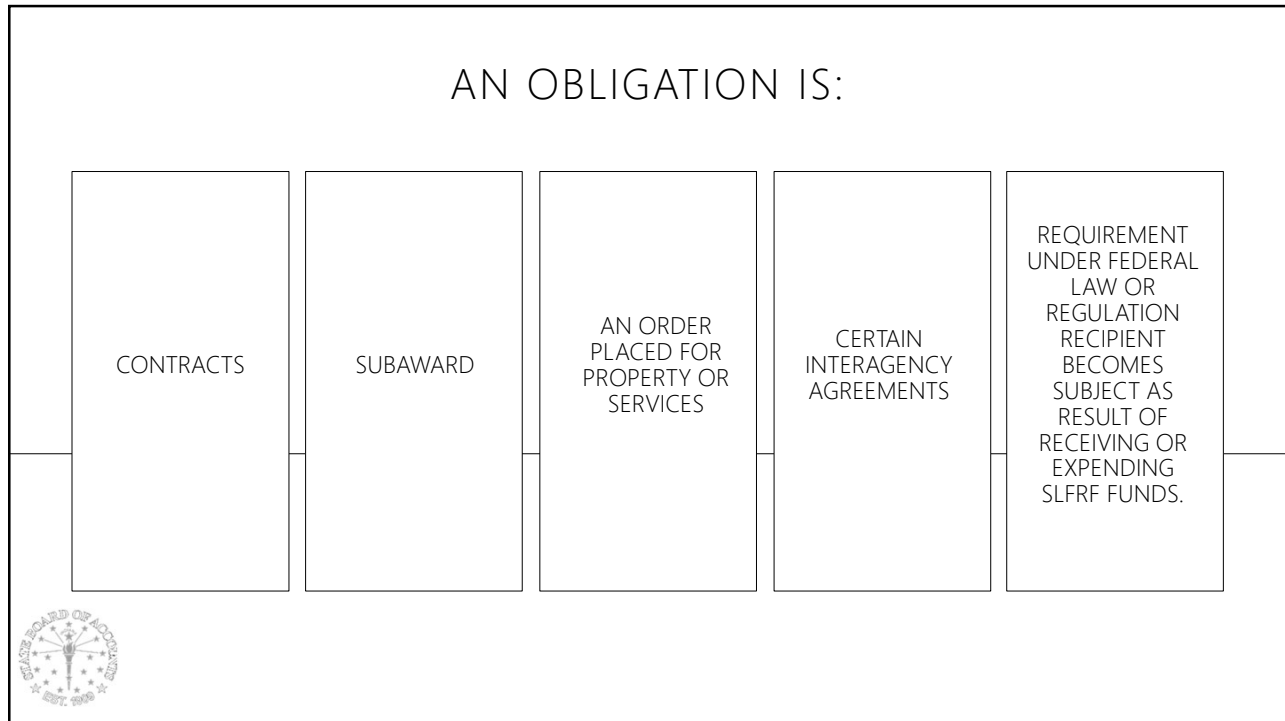


 <p style="text-align: center;">ARPA</p> <p style="text-align: center;">Auditors Spring 2024 Conference</p>	
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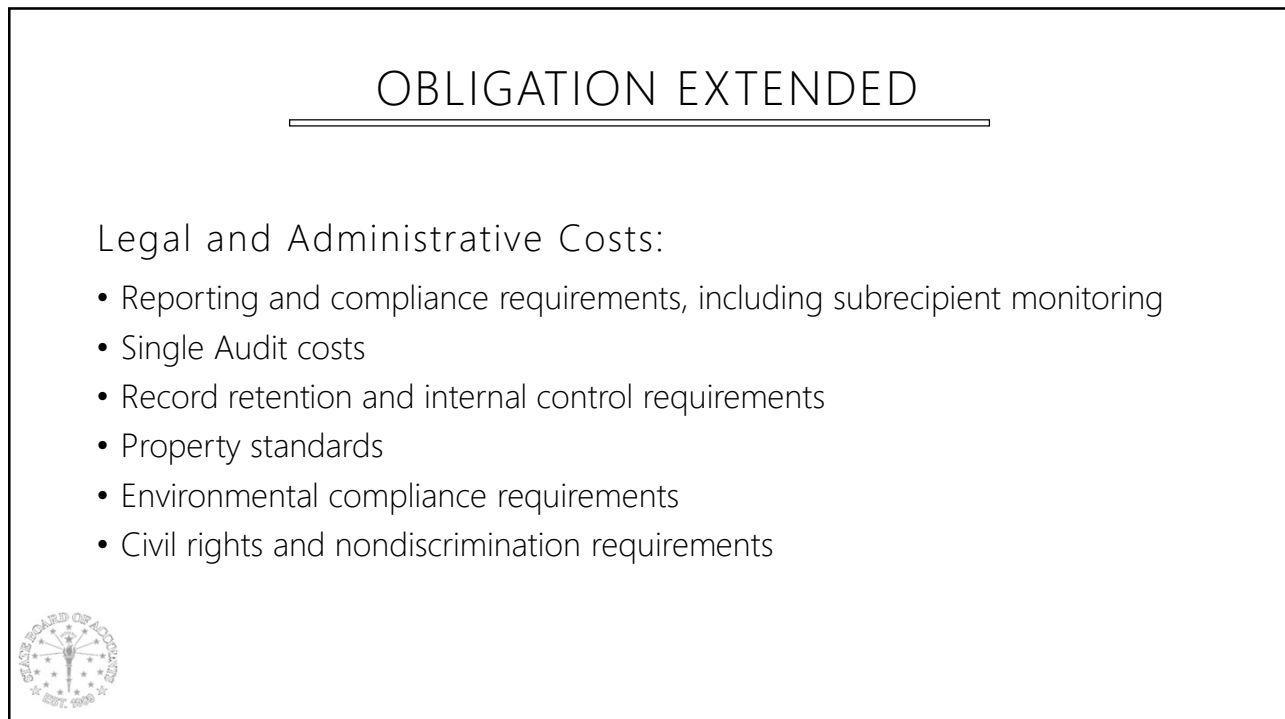
1

 <div style="text-align: right; margin-bottom: 10px;">  </div> <p><u>Obligation Defined:</u> To mean an order placed for property and services and entry into contracts, subawards, and similar transactions that require payment.</p> <p><u>Obligation Deadline:</u> December 31, 2024</p>
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AN OBLIGATION IS NOT

- An adopted budget or budget amendment
- An appropriation of SLFRF funds
- An executive order
- A resolution
- A written or oral intention to enter into a contract
- A grant of legal authority to enter into a contract
- Claiming funds under the revenue loss category
- Moving SLFRF funds to a general fund as revenue loss but not further establishing an obligation with those funds by 12/31/24



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ESTIMATES

NOT mandatory. Option to Ensure funds are treated as obligated.

1. Determine the amount of SLFRF funds estimated to cover such expenses
2. Documentation of reasonable justification of estimate
3. Report to Treasury including an explanation of how the amount was determined by:
 - Administrative & Legal Costs: July 31, 2024 (quarterly reporters).
 - Administrative & Legal Costs: April 30, 2025 (annual reporters).
 - Personnel Costs: January 31, 2025 (quarterly reporters).
 - Personnel Costs: April 30, 2025 (annual reporters).
4. Report at award closeout the amount actually expended for the costs.



Note: Estimates can only include costs up to December 31, 2026

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REVENUE LOSS

Must be obligated

- Revenue Loss is an eligible use category
- Obligor revenue loss for the payment of government services must be report the use as project(s).
- Include project description summary in enough detail to provide an understanding of the activity that will occur
 - What will the project accomplish?
 - How was the eligibility determined?



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PAYROLL COSTS

2025 and 2026:

- Employee must be serving in a position that was created and filled prior to December 21, 2024
- Payroll costs must be used in connection with an eligible use
- Payroll costs would include salaries, wages, covered benefits, and payroll taxes



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CONTRACT MODIFICATIONS

After Obligation Deadline:

- Change Orders – Allowed **if** agreement included a provision allowing for change orders (includes cost increases)
- Amendment to Existing Contract – Allowed **if** substantially the same scope and same purpose as original contract (includes cost increases)
- Replacing Existing Contract – Allowed under three circumstances:
 1. Contract terminated due to business default, closure, or inability to perform
 2. Mutal agreement to terminate
 3. County terminates for convenience when contract was not properly awarded
 Replacement contract must be substantially the same scope and same purpose as original contract (includes cost increases)



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RESOURCES:

Obligation Interim Final Rule:

[https://home.treasury.gov/system/files/136/Obligation Interim Final Rule 2023.pdf](https://home.treasury.gov/system/files/136/Obligation%20Interim%20Final%20Rule%202023.pdf)

Updated FAQ for SLFRF:

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



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