

Accounting for the American Rescue Plan Act of 2021 (ARP)*

Auditor of State [Bulletin 2021-004](#)



Notable New programs

*Requiring separate funds**

- State and Local Fiscal Recovery Funds
- Corona virus Capital Projects Funds
- Local & Tribal Assistance Consistency Fund

*These funds should be maintained separate from the Coronavirus Relief Fund (CRF) special revenue fund(s).



UAN users: Refer to UAN guidance regarding [reductions of expenditures](#).

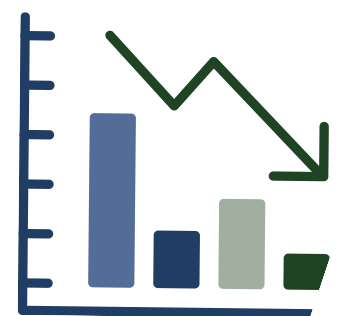
Local Fiscal Recovery Funds Accounting Considerations

Local Fiscal Recovery (LFR) awards should be recorded in a **Local Fiscal Recovery Fund** (special revenue fund).

Bills should be paid directly from the LRF Fund whenever possible.

Reallocate revenues to funds that have a performance focus (e.g., enterprise funds) and reduce revenues in the LRF fund, maintaining appropriate documentation. Documentation should include an itemized "bill" of eligible costs incurred by the other fund(s) to support the reallocation of the LFR Fund monies.

"Lost revenue" expenditures under the LFR fund criteria should be paid from the Local Fiscal Recovery (LFR) fund whenever possible.



Certain employee payroll-related items **cannot** be paid using LFR Dollars, including **pension deposits**. These are defined by U.S. Treasury as "an extraordinary payment into a pension fund for the purpose of reducing an accrued, unfunded liability."

An **upfront billing process** can be used to reduce cashflow constraints with detailed billing records and a periodic "true-up" of the upfront payments.

LFR Funds are "deemed appropriated" but still require **amendments to the Official Certificate of Estimated Resources** with the County Budget Commission.