To All Local Government, Public Offices and IPAS:
American Rescue Plan (ARP) Act Frequently Asked Questions

Note: For FAQs related to the CARES Act (including the Coronavirus Relief Fund) and other non-ARP questions, refer to the FAQs here.

New or updated entries will be noted by the date in parentheses, for example: (updated November 30, 2021)

This FAQ document is intended to help local governmental entities with important local-level decisions they may encounter during the implementation of the American Rescue Plan. The Auditor of State’s office (AOS) is continuing to view various forums such as those posted by the Ohio Association of School Business Officials (OASBO), Ohio Township Association (OTA), Ohio Attorney General’s Office (OAG), etc. as well as keeping communication lines open in the AOS office to help provide guidance on the ARP Act and its related programs. The FAQ will be updated on a regular basis throughout the period covered by the Act.

QUESTION TOPICS:

Coronavirus State and Local Fiscal Recovery Funds

- Allocations & Financial Reporting Considerations
- Allowable Uses
- Reporting
- Single Audit Requirements

Emergency Rental Assistance Program

School Funding

Coronavirus State and Local Fiscal Recovery Funds

Allocations & Financial Reporting Considerations

1. Which Ohio Governments are eligible to receive Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)?
   *(July 12, 2021)*

1 Updated November 30, 2021
Eligible recipients who received money directly from the U.S. Department of Treasury include the State of Ohio, all 88 counties, and metropolitan cities with a population that exceeds 50,000. Currently, direct allocations also include 3 townships in southwest Ohio meeting the population requirement. Allocations for direct recipients can be found on Treasury’s CSLFRF website at https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds.

Smaller local governments, referred to as “Non-Entitlement Units” or NEUs, are also eligible to receive CSLFRF funds which will be passed through the State of Ohio. Information available from the U.S. Department of Treasury related to the NEUs is currently limited but additional allocation and guidance information is anticipated soon and can be found at https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-fund/non-entitlement-units.

2. **How do I apply for CSLFRF monies? (July 12, 2021)**

Governments receiving funding directly from Treasury (counties and metropolitan cities with populations greater than 50,000) can request funds via the CSLFRF Treasury Submission Portal at https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-fund/request-funding with the following submission requirements:

1. Jurisdiction name, taxpayer ID number, DUNS Number, and address
2. Authorized representative name, title, and email
3. Contact person name, title, phone, and email
4. Funds transfer information, including recipient’s financial institution, address, phone, and routing number and account number
5. Completed certification document (to be signed by the authorized representative)

Jurisdictions must submit a request to receive funding even if they have previously applied for other programs through the Treasury Submission Portal. Eligible jurisdictions will receive further communications regarding the status of their submission via the email address provided in the Treasury Submission Portal.

Recipients should be aware that Treasury has partnered with ID.me, which “provides secure identity proofing, authentication, and group affiliation verification for government and businesses across sectors,” per the ID.me website. As part of the submission, an authorized representative will need to create an ID.me account and provide personal identifying information. A smart phone with camera is needed to complete the setup of the account. Below is a list of the verifications and examples of required documentation.

**Items you will need for ID.me account establishment:**

- Smart Phone with Camera
- Laptop or Computer (optional)
- Email Address
- Social Security Number
- Photo ID (Driver’s License, Passport, Passport Card or State ID)
- Secondary Identification Documents – 2 needed (Utility Bill, W2 form, Birth Certificate)

NEU’s will receive funding through the State of Ohio Office of Budget and Management (OBM), which has already requested funds on behalf of NEUs as part of the State’s request process. **NEUs DO NOT need to apply directly with Treasury** as noted above for direct recipients. OBM will determine the request process for Ohio NEUs and communicate the process once available.
3. **Funding for NEUs** is limited to 75 percent of the NEU’s most recent annual total operating budget, including its general fund and other funds, as of January 27, 2020. What if my approved budget as of that date was only a temporary budget? *(July 12, 2021)*

The Ohio Office of Budget and Management (OBM) is the oversight agency for distribution of CSLFRF amounts to NEUs and will be monitoring the 75% cap on funds. While more specific guidance regarding this requirement may be forthcoming from OBM, the U.S. Department of Treasury’s *Interim Final Rule* for CSLFRF notes that, “States and territories must permit NEUs without formal budgets as of January 27, 2020 to self-certify their most recent annual expenditures as of January 27, 2020 for the purpose of calculating the cap.”

4. **As a direct recipient, in order to apply for CSLFRF, can I designate more than one person to access the Treasury Submission portal? Who should that/those person(s) be?** *(July 12, 2021)*

Only one person needs to apply in the Treasury portal and go through the ID.me process (see below). The Ohio Office of Budget and Management (OBM) recommends the person that will be doing the reporting for the funds be the one that gains access to apply. Two different contacts are needed for the grant, 1) the Authorized Representative that can commit the entity to the funds and 2) the Contact who will be assisting with reporting and managing the funds (who will apply for them as noted above). The Authorized Representative can “docusign” the CSLFRF agreement without having to have access to the portal.

5. **Is an ID.me account required for my entity to obtain CSLFRF funding? What can I do if I am uncomfortable providing the significant amounts of personal information required?** *(July 12, 2021)*

To the best of our knowledge, ALL DIRECT recipients (counties, metropolitan cities, and 3 townships) are required to have an authorized representative complete the ID.me process to receive funds under this program. While the ID.me program is intended to keep information completely secure, local officials have understandably expressed concerns over having to submit significant personal identifying information to apply for public grant funds. Therefore, the Auditor of State will not take exception to entities who purchase fraud protection for the length of the program for individuals submitting their personal information for application of these funds, assuming the level of coverage is reasonable. At this time, we believe the payment for this coverage must be paid for using local unrestricted funds but we are currently discussing with federal counterparts if this expenditure meets the criteria for an allowable cost under the American Rescue Program Funds. Further information will be forthcoming as a resolution to this issue is determined. Additional information is available via the AOS Advisory Memo *American Rescue Plan Coronavirus State and Local Fiscal Recovery Fund ID.me Submission Requirements and Fraud Protection Insurance*.

6. **The AOS has noted it will not take exception to entities who purchase fraud protection for the length of the program for individuals submitting their personal information for application of the CSLFRF funds assuming the level of coverage is reasonable. What is considered “reasonable” for these purposes?** *(July 12, 2021)*

Reasonable is not defined in the Advisory because it can vary by entity, but the amount of funding would not be a determining factor. Since the risk to the person submitting their information to the U.S. Treasury drives the allowance for the policy, what is reasonable would be decided by management and those charged with governance. While purchasing coverage at exorbitant amounts is a concern, one possible way to gauge what is reasonable is to consider what a private individual would purchase for themselves, if required to obtain their own policy, then consider if it needs adjusted for specific factors for that individual. The County should perform an analysis and maintain documentation of why they obtained the dollar amount coverage they purchased and how they determined the amount was reasonable.
7. **What legislation is required to be passed by jurisdictions to receive CSLFRF monies? (July 12, 2021)**

Unlike Coronavirus Relief Funds (CRF), the General Assembly has not passed legislation requiring specific resolutions or ordinances at the local level in order to receive CSLFRF amounts. However, accounting for the monies requires separate accountability and a special revenue fund for CSLFRF (see #9 below and Bulletin 2021-004 for additional information on accounting requirements). Ohio Rev. Code § 5705.09 requires subdivisions to establish separate funds for each class of revenue derived from a source other than the general property tax, which the law (i.e., terms and conditions of a federal program) requires to be used for a particular purpose. While Local governments do not need to seek AOS approval for establishing new funds for COVID-19 federal programs, legislation to create the fund should be approved by the entity’s governing board. Additionally, the governing board of direct recipients and NEU’s should pass a resolution to apply for and accept ARP funds.

NEUs will also need to follow the requirements and guidance from the State on how to request funding through the program. As noted above, OBM will determine the request process for Ohio NEUs and communicate the process once available.

8. **Are Townships in the State of Ohio eligible for CSLFRF awards? (July 12, 2021, Updated August 16, 2021)**

States are responsible for identifying eligible NEUs under the Treasury’s Guidance on Distribution of Funds to Non-Entitlement Units of Local Government. Treasury has identified most of Ohio’s Townships as “minor civil divisions” (MCDs). Ohio townships provide a variety of essential governmental services to the millions of Ohioans that live within their boundaries. Ohio Townships have a Fiscal Officer and governing body of trustees, and in some cases a Township Administrator to help plan, coordinate, and implement township goals, all of which illustrates their organizational capacity to accept and manage federal funds. They have effectively spent federal aid provided to them from the state’s Coronavirus Relief Funds (CRF) on a broad range of eligible needs and projects that have helped them further support their community. Although Townships in Ohio vary in size and composition, they commonly provide residents with services such as road maintenance, cemetery management, police and fire protection, emergency medical services, solid waste disposal, parks and recreation, and zoning. Despite their variances in budget and size, each Township in Ohio still shares the need to provide COVID-19 mitigation efforts in public owned facilities, support public health and safety, continue vital general government services that risk being cut from losses in public sector revenue, and address negative economic impacts to those small businesses and households within their jurisdiction.

The Ohio General Assembly included townships in the appropriation for NEUs in Section 220.11 of Amended Substitute House Bill 168 of the 134th General Assembly, enacted on June 29, 2021. Due to these facts and circumstances, The State of Ohio has determined that Ohio townships are eligible for nonentitlement unit distributions under ARPA.

For more information, see U.S. Treasury’s NEU website for additional information at: [Coronavirus State and Local Fiscal Recovery Funds for Non-entitlement Units of Local Government | U.S. Department of the Treasury](https://www.treasury.gov/resource-center/tax-policy/Coronavirus-Pandemic-Funding/Pages/NEU-Programs.aspx).

In addition, ARP requires states to make certain information available to NEUs. See OBM’s NEU website at: [https://grants.ohio.gov/FundingOpportunityDetails.aspx?detailId=22](https://grants.ohio.gov/FundingOpportunityDetails.aspx?detailId=22)

9. **Is a separate fund required for CSLFRF monies received? Can I use my previously established CRF fund? (July 12, 2021)**

Yes, Ohio Rev. Code § 5705.09 requires subdivisions to establish separate funds for each class of revenue derived from a source other than the general property tax, which the law (i.e., terms and conditions of a federal program)
requires to be used for a particular purpose. You should not use the existing Coronavirus Relief Fund (CRF) to account for the new American Rescue Plan (ARP) federal programs since they have very different compliance requirements, etc. Even if your CRF money has already been spent and the fund has no balance, the CRF program itself is still active through December 31, 2021 and will be subject to audit and potential oversight even after that date, therefore the CRF fund should not be used to account for any ARP activity. See Bulletin 2021-004 for additional information on accounting requirements.

The Auditor of State will soon be announcing fund numbers to be utilized by local governments on the Uniform Accounting Network (UAN) for CSLFRF awards. UAN users should refer to the Auditor of State’s COVID-19 Resources page for this guidance, as it becomes available. The Auditor of State will also notify UAN users of the fund numbers via email.

10. How should governments account for transactions charged to the new CSLFRF fund? (July 12, 2021)

The AOS issued Bulletin 2021-004 with information on accounting requirements related to the funding received under ARP. Due to the increasing complexities of accounting for the COVID-19 funding, including reimbursement accounting, the Bulletin discusses, in detail, the following guidelines for accounting for the broad activities of the CSLFRF monies:

a. Place the Local Fiscal Recovery Fund award (i.e., receipts) into a special revenue fund called the “Local Fiscal Recovery Fund.”

b. Pay costs directly from the special Local Fiscal Recovery Fund as often as practicable. In addition, expenditures related to the replacement of lost revenue can also be recorded as direct charges to the special Local Fiscal Recovery Fund.

c. Proprietary fund accounting highlights the extent to which charges for services cover the cost of providing goods and services; therefore, all costs should be reflected within the respective proprietary funds. Option b above does not align with the focus of proprietary accounting, meaning recording proprietary fund expenditures in the Local Fiscal Recovery Fund is not practicable. In keeping with proprietary fund accounting, local governments should continue to charge those costs to the appropriate proprietary funds. The local government can use a billing/revenue reallocation process to redistribute the Local Fiscal Recovery revenue. This reallocation process is further explained in Bulletin 2021-004.

d. An appropriation for the newly created special Local Fiscal Recovery Fund is effectively created by operation of Ohio Rev. Code §5705.42 as Federal and State grants or loans are “deemed appropriated” for such purpose by the taxing authority as provided by law under this section. In addition, those moneys are also treated as if they are in the process of collection by the fiscal officer of the subdivision. This means that under Ohio Rev. Code §5705.42, the moneys are treated by the fiscal officer as if they have been appropriated for a specific purpose, without requiring the taxing authority to adopt an amended appropriation measure. However, other budgetary considerations require additional filings with the County Auditor/Fiscal Officer. Please refer to Bulletin 2021-004.

11. How should governments track and use interest earned on SLFRF monies? (August 16, 2021)

Treasury clarified in FAQ 10.3 (Frequently Asked Questions) that SLFRF payments made by Treasury to states are not subject to the requirements of the Cash Management Improvement Act and 31 CFR part 205 requiring entities to remit interest to Treasury. States may retain interest on payments made by Treasury to the State for distribution to NEUs that is earned before funds are distributed to NEUs. Such interest is not subject to program restrictions and may be used, among other things, to defray the administrative expenses of the program.
Further, SLFRF payments to local governments are not subject to the requirements of 2 CFR 200.305(b)(8)-(9) to maintain balances in an interest-bearing account and remit payments to Treasury. Treasury also clarified that interest earned on SLFRF payments is not subject to program restrictions therefore interest is not required to be credited to the SLFRF fund.

Note that this is unique to the SLFRF and entities should be aware that other programs under the American Rescue Plan Act may have different requirements for interest earned.

For UAN entities, the Coronavirus Relief Fund (CRF) range was expanded to include American Rescue Plan (ARP) funds, including SLFRF. CRF required interest to be credited to the fund therefore UAN was set up to require interest to be posted to this fund range. UAN is creating a patch for funds already established in the CRF/ARP range which will allow UAN users to change the interest allocation to exclude allocating to ARP funds. For new funds established after this patch, UAN users will be able to select if interest is posted to the ARP fund or not.

12. **What funds should be used to track American Rescue Plan Act funded programs subgranted to our school by ODE?** *(October 21, 2021)*

<table>
<thead>
<tr>
<th>Program Name and AL Number</th>
<th>USAS Fund</th>
<th>Additional Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARP Homeless Children and Youth #84.425W</td>
<td>507, Separate SCC</td>
<td>Program is a subset of ESSER and will need presented as such on SEFA.</td>
</tr>
<tr>
<td>ARP IDEA #84.027X</td>
<td>516, Separate SCC</td>
<td>Separate SCC will simplify accounting while accomplishing separate accountability required.</td>
</tr>
<tr>
<td>ARP Early Childhood Special Ed #84.173X</td>
<td>587, Separate SCC</td>
<td>Separate SCC will simplify accounting while accomplishing separate accountability required.</td>
</tr>
</tbody>
</table>

13. **Is the Board required to approve increased appropriations and obtain an (amended) certificate of estimated resources for the CSLFRF Special Revenue Fund?** *(October 21, 2021)*

An appropriation for the newly created special revenue fund (for the federal CSLFRF moneys) is effectively created by operation of Ohio Rev. Code § 5705.42. Ohio Rev. Code § 5705.42 indicates Federal and State grants or loans are “deemed appropriated” for such purpose by the taxing authority as provided by law. In addition, those moneys are also treated as if they are in the process of collection by the fiscal officer of the subdivision. This means that under Ohio Rev. Code § 5705.42, the moneys are treated by the fiscal officer as if they have been appropriated for a specific purpose, without requiring the taxing authority to adopt an amended appropriation measure. However, the fiscal officer should include the appropriated amounts on the (amended) certificate, if the legislative authority intends to appropriate and expend the excess revenue. The amounts need not be included on the (amended) certificate until the entity intends to spend the monies. The fiscal officer should also record the estimated revenues from the amended certificate and appropriation in the accounting system.

**Allowable Uses**

1. **Are the allowable uses of the CSLFRF the same as the Coronavirus Relief Fund (CRF)?** *(July 12, 2021)*
In short, no. While the CRF awards expenditures were limited to those meeting three “prongs” of allowability focused on response, CSLFRF allowable costs fall into four broad categories focused on response and recovery:

a. To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
b. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
c. For the provision of government services to the extent of the reduction in revenue due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
d. To make necessary investments in water, sewer, or broadband infrastructure.

The U.S. Department of Treasury has issued several documents to assist jurisdictions in administering CSLFRF awards, including the Interim Final Rule, Frequently Asked Questions (FAQs), Fact Sheet, and a Quick Reference Guide.

2. Do projects or expenditures require prior approval by Treasury? (July 12, 2021)

No. The U.S. Department of Treasury clarified in FAQ #4.5 that recipients are not required to submit planned expenditures for prior approval by Treasury. Recipients are subject to the requirements and guidelines for eligible uses contained in the Interim Final Rule. AOS is encouraging recipients to carefully read and consider the Treasury Guidance available at https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds prior to making expenditures. Additionally, the AOS recommends that each government entity accepting ARP funds clearly document their rationale for each expenditure of ARP funds, ideally through legislation passed by the entity’s legislative body explaining how the expenditure meets the legal requirements of ARP. To aid in our future audit work, we also ask that each expenditure be carefully tracked and documented.

3. What is the reduction in revenue calculation? (July 12, 2021, Updated November 9, 2021)

The Interim Final Rule describes the calculation process as a four-step process:

Step 1: Identify revenues collected in the most recent full fiscal year prior to the public health emergency (i.e., last full fiscal year before January 27, 2020), called the base year revenue.

Step 2: Estimate counterfactual revenue, which is equal to base year revenue *[(1 + growth adjustment) ^(n/12)], where n is the number of months elapsed since the end of the base year to the calculation date, and growth adjustment is the greater of 4.1 percent and the recipient’s average annual revenue growth in the three full fiscal years prior to the COVID-19 public health emergency.

Step 3: Identify actual revenue, which equals revenues collected over the past twelve months as of the calculation date.

Step 4: The extent of the reduction in revenue is equal to counterfactual revenue less actual revenue. If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero for that calculation date.
AOS has put together a Revenue Loss worksheet to assist in the calculation of revenue reduction based on the above process which is available here. The use of this spreadsheet is not mandatory. Note that due to independence standards, auditors cannot review and “approve” clients’ revenue loss calculations.

Further information regarding the reduction in revenue calculation may be found in the Interim Final Rule and Treasury’s FAQs. The Appendix to the FAQs presents a decision tree to assist recipients in determining what constitutes “general revenue” for the purpose of the calculation of reduction in revenue.

4. For the purposes of calculating revenue loss, should a temporary sales tax in place during the base year but subsequently phased out be considered a part of sales tax revenue? (August 16, 2021)
Yes. The Appendix to Treasury’s FAQs includes taxes under “Tax Revenue.” Further, the Interim Final Rule states, “Although revenue may decline for reasons unrelated to the COVID-19 public health emergency, to minimize the administrative burden on recipients and taking into consideration the devastating effects of the COVID-19 public health emergency, any diminution in actual revenues relative to the counterfactual pre-pandemic trend would be presumed to have been due to the COVID-19 public health emergency.” Regardless of the short-term status, this revenue source would be included in the revenue loss calculation.

5. For the purposes of calculating revenue loss, should dividends/rebates from the Ohio Bureau of Workers’ Compensation (BWC) be included as revenue? (November 30, 2021)
The interim final rule defines the term “general revenue” to include revenues collected by a recipient and generated from its underlying economy and would capture a range of different types of tax revenues, as well as other types of revenue that are available to support government services. Consistent with the Census Bureau’s definition of “general revenue from own sources,” the definition of general revenue in the interim final rule excludes refunds and other correcting transactions.

Many Ohio governments participate in the Ohio Bureau of Workers’ Compensation (BWC) Retrospective Ratings Program. BWC occasionally issues dividend/rebate payments to participating local governments. Treasury’s guidance to date on the inclusion/exclusion of these payments is conflicting and Treasury needs to weigh in on this issue. Until Treasury weighs in, AOS suggests local governments evaluate currently available information, identify their options, and gage the risk of potential claw back of funds in the event Treasury later clarifies or changes its guidance.

Based on the available guidance, AOS recommends a conservative approach and that local governments obtain a supporting legal opinion. Until or unless Treasury issues further guidance, local governments may consider the payments from BWC to be partially refunds and partially revenue for the purposes of calculating revenue. The portion of the payment which constitutes a refund is calculated by examining the extent to which the payment refunds the local government for a premium previously paid by the local government, even if that premium was paid over more than one year. The local government should retain documentation establishing premiums paid that were not previously part of a rebate or refund from the BWC. The portion of the payment determined to be a refund should be excluded from the calculation of revenue. The remaining portion of the BWC payment would be considered a dividend which meets the definition of “general revenue” and therefore should be included in the calculation of revenue.

6. The Interim Final Rule generally aligns eligible uses of the Funds with the wide range of types or categories of projects that would be eligible to receive financial assistance through the Environmental Protection Agency’s
Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF). What are some eligible projects and where can I find additional information on these programs? (July 12, 2021)

Under the DWSRF, categories of eligible projects include: treatment, transmission and distribution (including lead service line replacement), source rehabilitation and decontamination, storage, consolidation, and new systems development. Information regarding the DWSRF program is available at https://www.epa.gov/dwsrf/drinking-water-state-revolving-fund-eligibility-handbook.

Under the CWSRF, categories of eligible projects include: construction of publicly-owned treatment works, nonpoint source pollution management, national estuary program projects, decentralized wastewater treatment systems, stormwater systems, water conservation, efficiency, and reuse measures, watershed pilot projects, energy efficiency measures for publicly-owned treatment works, water reuse projects, security measures at publicly-owned treatment works, and technical assistance to ensure compliance with the Clean Water Act. Additional information regarding CWSRF projects is available at https://www.epa.gov/cwsrf/learn-about-clean-water-state-revolving-fund-cwsrf#eligibilities.

7. Can CSLFRF funds be used to fund infrastructure projects other than water, sewer, or broadband such as road improvements? (July 12, 2021, updated August 16, 2021)

While the ARP specifically allows water, sewer, and broadband projects as part of the CSLFRF program, it also allows recipients to use payments from the CSLFRF for the provision of government services to the extent of the reduction in revenue experienced due to the COVID-19 public health emergency (see #3 above for additional information on that calculation). Road maintenance and improvements would be considered a government service and is likely an allowable expense under the Revenue Loss allowable use section. See Treasury FAQ #3.8, as well as Treasury’s Interim Final Rule, Frequently Asked Questions (FAQs), Fact Sheet, and a Quick Reference Guide.

Additionally, Treasury FAQ #6.15 clarifies that recipients may use CSLFRF for road repairs and upgrades directly related to an eligible water or sewer project. For example, CSLFRF may be used to repair or re-pave a road following eligible sewer repair work beneath it. If an eligible water and sewer infrastructure project is a single component of a broader infrastructure project, only the components of the project that interact directly with the eligible water and sewer infrastructure project may be funded with CSLFRF.

8. Can CSLFRF funds be used to fund water, sewer, or broadband infrastructure projects that had been initiated prior to March 3, 2021? (July 12, 2021)

Treasury guidance indicates CSLFRF awards are forward looking for costs from March 3, 2021, with a specific exception for retro premium pay, which is allowable for the pandemic period. 31 CRF Part 35 (codified Interim Final Rule) 2021-10283.pdf (govinfo.gov) includes some clarification:

§ 35.5 Use of funds

(a) In General. A recipient may only use funds to cover costs incurred during the period beginning March 3, 2021, and ending December 31, 2024, for one or more of the purposes enumerated in sections 602(c)(1) and 603(c)(1) of the Social Security Act, as applicable, including those enumerated in section § 35.6 of this subpart, subject to the restrictions set forth in sections 602(c)(2) and 603(c)(2) of the Social Security Act, as applicable.

(b) Costs incurred. A cost shall be considered to have been incurred for purposes of paragraph (a) of this section if the recipient has incurred an obligation with respect to such cost by December 31, 2024.
Section III. D. Timeline for Use of Fiscal Recovery Funds, footnote 173 states:

a. Given the nature of this program, recipients will not be permitted to use funds to cover pre-award costs, i.e., those incurred prior to March 3, 2021.

If the obligations for the costs or portions of the costs of the project(s) were incurred prior to March 3, 2021, those obligated costs would be considered incurred and are not within the covered period. On the other hand, if the entity did not incur obligations for the costs or portions of the costs of the project(s) prior to March 3, 2021, those costs may still be incurred during the covered period. Recipients may use Coronavirus State and Local Fiscal Recovery Funds to cover costs incurred for eligible projects planned or started prior to March 3, 2021, provided that the project costs covered by the Coronavirus State and Local Fiscal Recovery Funds were incurred after March 3, 2021. We recommend you work with your legal counsel to evaluate the specifics of the project, awards and guidelines.

The U.S. Department of Treasury has issued several documents to assist jurisdictions in administering CSLFRF awards, including the Interim Final Rule, Frequently Asked Questions (FAQs), Fact Sheet, and a Quick Reference Guide.

9. May Coronavirus State and Local Fiscal Recovery Funds be used to make loans or other extensions of credit (“loans”), including loans to small businesses and loans to finance necessary investments in water, sewer, and broadband infrastructure? (August 16, 2021)

Yes. Treasury has clarified in FAQ #4.11 that CSLFRF awards may be used to make loans, provided the loan is an eligible use and the cost of the loan is tracked and reported, as detailed below. Consistent with all CSLFRF activity, funds must be used to cover costs incurred by the recipient between March 3, 2021 and December 31, 2024 and must be expended by December 31, 2026.

- For loans that mature or are forgiven on or before December 31, 2026:
  - Recipient must account for the use of funds on a cash flow basis.
    - Recipients may use CSLFRF to fund the principal of the loan and in that case must track repayment of principal and interest.
    - When the loan is made, recipients must report the principal of the loan as an expense.
    - Repayment of principal may be re-used only for eligible uses, and is subject to restrictions on timing of use of funds. Interest payments received prior to the end of the period of performance will be considered an addition to the total award and may be used for any purpose that is an eligible use of funds under the statute and Interim Final Rule.

- For loans that mature after December 31, 2026:
  - The recipient may use CSLFRF for only the projected cost of the loan. Recipients may estimate the subsidy cost of the loan, which equals the expected cash flows associated with the loan discounted at the recipient’s cost of funding. Treasury FAQ #4.11 details the methods by which a recipient may determine the subsidy cost of the loan.
  - Recipients are not subject to program income restrictions (2 CFR 200.307(e)(1)) and need not separately track repayment of principal or interest.
  - Any contribution of CSLFRF to a revolving loan fund must follow the approach described above for loans with maturities longer than December 31, 2026. A recipient could contribute SLFRF to a revolving loan fund, provided that the revolving loan fund makes loans that are eligible uses and the CSLFRF contributed represent the projected cost of loans made over the life of the revolving loan fund.
10. How can I identify Qualified Census Tracts (QCTs)? *(October 21, 2021)*

HUD provides an interactive map which may be used to identify QCTs. The map can be found [here](#). Please refer to the Auditor of State’s QCT infographic for further information regarding how to use the interactive map.

11. The State of Ohio established the Ohio Residential Broadband Expansion Grant Program in May 2021 with the goal of expanding broadband service to unserved and underserved areas of the state. Is it allowable to utilize SLFRF to provide a match for this program? *(November 9, 2021)*

Please see the memo issued by the County Commissioners Association of Ohio (CCAO) on November 4, 2021. AOS concurs that counties and other local governments contemplating matches should evaluate the cautionary considerations outlined in CCAO’s memo.

12. The Interim Final Rule requires SLFRF recipients to provide to Treasury and make publically available a written justification of how premium pay is responsive to workers performing essential work during the public health emergency if the premium pay would increase a worker’s total pay above 150 percent of their residing state’s average annual wage for all occupations* or their residing county’s average annual wage*, whichever is higher, on an annual basis. In determining the average annual wages, should all workers be included or just those within a similar classification (i.e. all grocery workers in a county versus all workers in a county)? *(November 9, 2021)*

The Interim Final Rule (pg. 26798) states “If premium pay would increase a worker’s total pay above 150 percent of their residing state’s average annual wage for all occupations, as defined by the Bureau of Labor Statistics’ Occupational Employment and Wage Statistics, or their residing county’s average annual wage, as defined by the Bureau of Labor Statistics’ Occupational Employment and Wage Statistics, whichever is higher, on an annual basis, the State, local, or Tribal government must provide Treasury and make publicly available, whether for themselves or on behalf of a grantee, a written justification of how the premium pay or grant is responsive to workers performing essential worker during the public health emergency.”

Therefore, it is acceptable to use the average annual wage *for all occupations or occupational group* when determining whether premium pay increases a worker’s total pay above the 150 percent threshold. However, the methodology chosen should be consistent for all calculations within the entity.

* as defined by the Bureau of Labor Statistics’ Occupational Employment and Wage Statistics.

13. Are SLFRF monies able to be used for rental assistance initiatives? *(November 9, 2021)*

Yes, recipients may use their SLFRF grant funds toward rental assistance initiatives. Recipients should document how their rental assistance initiatives meet one of the SLFRF Eligible Use Categories and retain their documentation and conclusions for audit.

14. Is reimbursement to funds which experienced revenue loss an allowable use of the calculated revenue loss portion of SLFRF? *(November 9, 2021)*

No, revenue loss is not the same as revenue replacement. All revenue loss dollars must be accounted for and supported by a qualifying expenditure and may not exceed the amount of calculated revenue loss. AOS Bulletin 2021-004 provides detailed guidance on how to record the disbursement of revenue loss dollars.

**Reporting**

1. What reports will be required for direct recipients and when will they be due? *(July 12, 2021, updated August 16, 2021 October 21, 2021, and November 9, 2021)*
Treasury has noted in FAQ #9.2 that recipients will be required to submit an interim report, quarterly project and expenditure reports, and annual recovery plan performance reports as specified below, regarding their utilization of Coronavirus State and Local Fiscal Recovery Funds.

- **Interim reports:** The interim report will include a recipient’s expenditures by category at the summary level and for states, information related to distributions to NEUs must also be included in the interim report. The interim report will cover activity from the date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021 or sixty days after receiving funding, if funding was received by October 15, 2021.

- **Quarterly Project and Expenditure reports:** This report will include financial data, information on contracts and subawards over $50,000, types of projects funded, and other information regarding a recipient’s utilization of award funds. Reports will be required quarterly with the exception of NEUs, which will report annually. Interim reports are due as described in the table below, with differing due dates and frequency of reports depending on the recipient tier. The reports will include the same general data as those submitted by recipients of the Coronavirus Relief Fund, with some modifications to expenditure categories and the addition of data elements related to specific eligible uses.

- **Recovery Plan Performance reports:** Direct recipients with a population that exceeds 250,000 residents will also be required to submit an annual recovery plan performance report to Treasury. This report will include descriptions of the projects funded and information on the performance indicators and objectives of each award, helping local residents understand how their governments are using the substantial resources provided by CSLFRF program. The initial recovery plan performance report will cover activity from date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021 or sixty days after receiving funding. Subsequent Recovery Plan Performance reports must be submitted to Treasury by July 31st each year. Each annual recovery plan performance report must be posted on the public-facing website of the recipient. Local governments with fewer than 250,000 residents, Tribal governments, and NEUs are not required to develop a Recovery Plan Performance report. To ease the burden of creating the Recovery Plan Performance report, Treasury released a shell which may, but is not required to, be used as a starting point. The shell can be found here: Recipient Compliance and Reporting Responsibilities. However, each jurisdiction may determine the general form and content of the Recovery Plan Performance Report as long as it meets the minimum requirements noted in the SLFRF Compliance and Reporting Guide.

Treasury provided the following table in the SLFRF Compliance and Reporting Guide which illustrates reporting requirements by recipient type:
2. What reports will be required for NEUs and when will they be due? (July 12, 2021, updated October 21, 2021)

Treasury FAQ #9.2 says NEUs will be required to submit the project and expenditure report annually (see #1 above). The initial annual Project and Expenditure report for NEUs will cover activity from the date of award to September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent annual reports must be submitted to Treasury by October 31 each year.

On September 30, 2021, Treasury announced an extension of the deadlines for Project and Expenditure Reports. NEUs are required to submit their first project and expenditure report on April 30, 2022 (instead of Oct 31, 2021).

3. If a recipient has received funding as of July 31, 2021 but has not incurred obligations or expenditures as of the end of the reporting period, what are the reporting requirements? (August 16, 2021)

According to Treasury’s Portal for Recipient Reporting SLFRF:

Interim Report: Recipients should submit a report showing no ($0) obligations or expenditures have yet been incurred. If no projects have been established as of the end of the reporting period, no project level reporting is required in the Interim report.
Recovery Plan: Recipients should submit a Recovery Plan describing the planned approach to the use of funds and planned projects. There is no requirement for the Recovery Plan to be approved by the governing board. Further, the Recovery Plan will be updated on an annual basis and is anticipated to be fluid throughout the period of performance of the grant based on actual outcomes, changing needs, and the trajectory of the pandemic.

4. If a recipient has not received funding as of July 15, 2021, what are the reporting requirements? (August 16, 2021)
   According to Treasury’s Portal for Recipient Reporting SLFRF, recipients that have not received funding as of July 15, 2021 must submit an Interim Report and Recovery Plan (if applicable) within 60 days of receiving funding.

Single Audit Requirements

1. What is the Assistance Listing number for the CSLFRF program? (July 12, 2021)
   The Assistance Listing number (formerly CFDA number) assigned to the program is 21.027, according to Treasury FAQ #9.5. Further, the FAQ notes “The assistance listing includes helpful information including program purpose, statutory authority, eligibility requirements, and compliance requirements for recipients. The CFDA number is the unique 5-digit code for each type of federal assistance, and can be used to search for program information, including funding opportunities, spending on usaspending.gov, or audit results through the Federal Audit Clearinghouse.”

   Treasury also indicates in FAQ #9.5 that “to expedite payments and meet statutory timelines, Treasury issued initial payments under an existing CFDA number. If you have already received funds or captured the initial CFDA number in your records, please update your systems and reporting to reflect the final CFDA number 21.027. Recipients must use the final CFDA number for all financial accounting, audits, subawards, and associated program reporting requirements.” This change applies ONLY to funds received under the CSLFRF program.

   Despite perceived similarities between the CRF and CSLFRF the allowable uses ARE NOT THE SAME. As always, be sure to review you grant documents for the proper assistance listing number as well as any terms and conditions of the grant.

2. Is the CSLFRF program subject to Single Audit and Uniform Guidance (UG) requirements? (July 12, 2021)
   Treasury guidance thus far only indicates that “most” of the provisions of the Uniform Guidance (2 CFR Part 200) will apply to this program including the Cost Principles and Single Audit Act requirements. While this guidance is clearly not specific, Treasury has advised in FAQ #9.3 “recipients should refer to the Assistance Listing for detail on the specific provisions of the Uniform Guidance that do not apply to this program.”

   Assistance Listings (formerly CFDA) for the program are now available on SAM.gov and include the following “Compliance Requirements”:

   Policy Requirements:

   The following 2CFR policy requirements apply to this assistance listing:

   - Subpart B, General provisions
   - Subpart C, Pre-Federal Award Requirements and Contents of Federal Awards
   - Subpart D, Post Federal; Award Requirements
   - Subpart E, Cost Principles
Subpart F, Audit Requirements

The following 2CFR policy requirements are excluded from coverage under this assistance listing:

- Not Applicable

Additional Information: The following 2 CFR Policy requirements also apply to this assistance listing: 2 C.F.R. Part 25, Universal Identifier and System for Award Management; 2 C.F.R. Part 170, Reporting Subaward and Executive Compensation Information; and 2 C.F.R. Part 180, OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement). The following 2 CFR Policy requirements are excluded from coverage under this assistance listing: For 2 CFR Part 200, Subpart C, the following provisions do not apply to the SLFRF program: 2 C.F.R. § 200.204 (Notices of Funding Opportunities); 2 C.F.R. § 200.205 (Federal awarding agency review of merit of proposal); 2 C.F.R. § 200.210 (Pre-award costs); and 2 C.F.R. § 200.213 (Reporting a determination that a non-Federal entity is not qualified for a Federal award). For 2 CFR Part 200, Subpart D, the following provisions do not apply to the SLFRF program: 2 C.F.R. § 200.308 (revision of budget or program plan); 2 C.F.R. § 200.309 (modifications to period of performance); C.F.R. § 200.305 (b)(8) and (9) (Federal Payment).

3. Does the ARP allow for any Single Audit filing or deadline extensions? (July 12, 2021)

The ARP does not include any extensions to the single audit deadline but an automatic six-month extension has been granted by the U.S. Office of Management and Budget (OMB) via Memo M-21-20 for local governments with fiscal year ends through July 12, 2021 that had not filed their single audits as of March 19, 2021. Recipients and subrecipients should maintain documentation of the reason for the delayed filing. Details of that extension can be found here - https://ohioauditor.gov/resources/covid19/Single_Audit_Extension_Dates.pdf.

4. How do assistance listing numbers (ALNs) (formerly CFDA) with alpha codes impact reporting of Department of Education programs on the Schedule of Expenditures of Federal Awards (SEFA) and Data Collection Form (DCF)? (August 16, 2021, Updated October 21, 2021)

The Department of Education requires recipients identify on their SEFA and DCF (1) whether the program is novel coronavirus 2019 (COVID-19) relief assistance and (2) the subprogram Assistance Listing Number (ALN) alpha.

For reporting within the SEFA section of the DCF, the following should be included in Column C “Additional Award Identification”:

- For COVID-19 relief assistance programs without an ALN alpha:
  - “COVID-19” should be included in Column C

- For COVID-19 relief assistance programs with an ALN alpha:
  - “Covid-19, [ALN][Alpha]” should be included in Column C
    - For example, if an entity received ESSER under ALN 84.425D, Column C would show “COVID-19, 84.425D”

- For relief assistance programs with an ALN alpha which are not COVID-19 relief assistance:
  - “[ALN][Alpha]” should be included in Column C
    - For example if an entity received Title I Grants to Local Educational Agencies under ALN 84.010A, Column C would show “84.010A”
This guidance is applicable for all single audit submissions that include Department of Education programs on or after Monday, August 9, 2021. For additional information, see the August 4, 2021 Memo from the Department of Education, located here.

5. When are revenue loss dollars reported on the Schedule of Federal Awards Expenditures (SEFA)? *(November 9, 2021)*
   
   Revenue loss monies are reported on the SEFA when they have been expended by the recipient on qualifying expenditures. The movement of revenue loss dollars to “replace” a loss in revenue during the pandemic is not permitted and does not constitute a Federal expenditure.

**Emergency Rental Assistance Program**

1. What is the Emergency Rental Assistance Program? *(November 9, 2021)*
   
   See FAQ 13 of the Entity Specific | All Entities section of the CARES Act & General COVID-19 FAQs found here.

**School Funding**

1. Some colleges/universities are using HEERF dollars to provide payments to all attending students. Are College-Credit Plus (CCP) students eligible to receive these payments? *(November 9, 2021)*
   
   See FAQ 18 of the Schools section of the CARES Act & General COVID-19 FAQs found here.

2. How did the Tydings Amendment impact the period of availability for the various rounds of ESSER and GEER funding? *(November 9, 2021)*
   
   See FAQ 19 of the Schools section of the CARES Act & General COVID-19 FAQs found here.