

# Questions and Answers from “Managing ARPA Funds” webinar session, 6/29/2021

The following questions were submitted by participants and answered by the collection of presenters during the live webinar session. Questions and answers have been lightly edited for clarity.

What should we do if we've already used fund 230? We're using it for our Downtown Development Authority.

Just use a different fund in the 23X sequence.

Have any NEUs received funds from the OPB yet?

OPB is working on this now.

Do I understand correctly that local governments under 50,000 in population don't need to apply for anything, they just go to the Treasury portal, correct?

Local cities under 50,000 must apply to the Office of Planning and Budget to receive their allocation. All counties or cities larger than 50,000 will receive funding directly from US Treasury.

If the 101 don't submit an application, will those funds roll to the other NEU's?

If NEU's do not wish to accept their funding, there is an option to transfer their funding back to the state. You can notify us through the GeorgiaCARES portal and we will provide you the form to complete to decline your funds.

It's unlikely we'll get 100% applications submitted. At what point is OPB going to start distributions despite some not applying? Guessing they can hold funds aside for those other cities, but we're ready to put those funds to use.

We are processing applications currently and will begin releasing funds as soon as we have start approving applications. We will not be waiting until all NEUs have applied.

We aren't getting any correspondence from OPB. How do we know our applications were received? We were asked to not email OPB so all we have is "hope" at this point our applications were received.

Due to the volume of applications we are processing, we are focusing on reviewing each of those. We will absolutely alert your city if there is any information missing or if we have questions. We are also reaching out to any cities that have not yet applied.

What about counties of less than 50,000?

They will receive funds directly from US Treasury

I know that certain "administrative costs" are eligible for funding. Can you please expand on this thought?

Per Treasury guidance, recipients may use funds to cover the portion of payroll and benefits of employees corresponding to time spent on administrative work necessary due to the COVID-19 public

health emergency and its negative economic impacts. This includes, but is not limited to, costs related to disbursing payments of Fiscal Recovery Funds and managing new grant programs established using Fiscal Recovery Funds.

Taylor County is still unable to register for the Treasury Portal. (We are a county of less than 50,000.) Is there anyone else we can contact for help? ID.me has been unresponsive. It's a technical problem.

You will need to reach out to Treasury to find out why you are unable to register. Sometimes it is an issue with id me. You can find the information here: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-fund/request-funding>

Our funds show on the portal as submitted...what kind of time frame until we actual receive the funds?

Hi Beth. It just depends on if we have had to reach out for more information on your budget and DUNS number. If we have everything we need, we will approve it shortly. We are going through them as fast as we can. We appreciate your patience.

Is the "award amount" that showed up in the portal today the full 100% that the NEU will receive, or it is just the first round of 50%?

It is the 1st tranche of funding so only 50%. Your account will show as approved vs. submitted when the application is approved and funds released.

Can you confirm the CFDA #s for both CARES & ARPA funds?

Coronavirus Relief Funds are CFDA 21.019 and State and Local Fiscal Recovery Funds are CFDA 21.027

Do we as the county hire an auditor to complete our single audit or will be conducted by a state agency?

It would be up to the county to hire their own auditor if you find you are over the dollar threshold and therefore, do need a Single Audit.

Are there any requirements (forms to be filled out) around the disposal of assets purchased with Coronavirus Relief Funds dollars?

We do not currently have you need to provide to the State of Georgia. Per the U.S. Treasury Guidance regarding the disposition or sale of assets acquired using payments from the Fund, if such assets are disposed of prior to December 31, 2021, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act. If you are in a metro county that received it directly, the proceeds will still need to be used within the guidelines of the original funds.

Could cities choose to place the funds in an interest bearing account? (even though it is not required?)

SLFRF payments made to recipients are not subject to the requirements of the Cash Management Improvement Act and Treasury's implementing regulations at 31 CFR part 205 or 2 CFR 200.305(b)(8)-

(9). As such, recipients can place funds in interest-bearing accounts, do not need to remit interest to Treasury, and are not limited to using that interest for eligible uses under the SLFRF award.

We are not required to place ARPA funds in a separate interest-bearing account. If we DO place the funds in an interest-bearing account, have we transgressed? In other words, may we earn & use interest?

SLFRF Funds are not subject to Cash Management Improvement Act requirements and governments are not required to remit any interest earned back to US Treasury. You are not prohibited from earning interest on the funds.

If a County is providing funds to "impacted businesses" what kind of reporting is required by the business to the county for monitoring purposes?

For monitoring the County would need to determine what documents would be needed to make sure the money is used for proper Federal purposes. So, depending on how the program is set up and how the County defines "impacted" could determine the documents requested. For example, if the County provides money to be spent for a specific purpose, you could request an invoice or some type of payment information to support that money was spent for that purpose.

We were told by ACCG in another webinar that we had to put these funds in a separate bank account. Was this incorrect?

Not required, but a practice some are using.

Under infrastructure or any other category, does facility improvements such as New HVAC (safe air quality), LED lighting etc. qualify as an eligible expense?

Infrastructure expenditures are limited to water, sewer, and broadband projects. Per Treasury guidance, capital investments in public facilities to meet pandemic operational needs are eligible, such as physical plant improvements to public hospitals and health clinics or adaptations to public buildings to implement COVID-19 mitigation tactics. So HVAC to improve ventilation in important public settings could be eligible. Additionally, if you are able to demonstrate revenue loss, then some of these expenses could be eligible if they were not able to be completed otherwise due to that revenue loss.

Do you have to "create" a new payment request in the portal?

No, your application submittal constitutes your payment request. If you have submitted it, there is nothing further you need to do at this time.

Would giving funds to impacted businesses or low income individuals make our local government a pass-through entity?

Potentially..... depending on how the arrangement is set up. The local government would need to set up some type of internal control system to determine money provided to a business or individual is used by them in a proper way (that is allowed for per the Federal/grant guidelines). There is a federal code section I recommend you review (2CFR200.331) which helps determine if the payment is to a sub-recipient or contractor. Also, there may be US Treasury guidance relating to if the business/individual received the funds as a sub-recipient or beneficiary. I also recommend documenting the category of how these payments are made (for potential audit support)

Does repaving of a city street qualify as an eligible expense?

Infrastructure expenditures are limited to water, sewer, and broadband projects. If you are able to demonstrate revenue loss as a result of the pandemic, then funds calculated under that provision could be used for this as US Treasury provides for that revenue loss portion to be used for "the provision of government services" broadly.

Can funds be used for a master plan of our sewer in order to have a plan for expenditures?

"Yes. To determine whether Funds can be used on pre-project development for an eligible water or sewer project, recipients should consult whether the pre-project development use or cost is eligible under the Drinking Water and Clean Water State Revolving Funds (CWSRF and DWSRF, respectively). Generally, the CWSRF and DWSRF often allow for pre-project development costs that are tied to an eligible project, as well as those that are reasonably expected to lead to a project. For example, the DWSRF allows for planning and evaluations uses, as well as numerous pre-project development costs, including costs associated with obtaining project authorization, planning and design, and project start-up like training and warranty for equipment. Likewise, the CWSRF allows for broad pre-project development, including planning and assessment activities, such as cost and effectiveness analyses, water/energy audits and conservation plans, and capital improvement plans."

Can you provide the website address for this information when possible?

<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds> and <https://opb.georgia.gov/covid-response/american-rescue-plan>

Although the rules say utility revenue loss cannot be included, Larry at GMA stated they were going to ask for an exception. Any update?

I do not have any information changing the exception for utility revenues. The latest FAQ does not address any changes to the exceptions.

When we meet as a board with department heads, will these meetings be required to be open to the public or will public input from citizens need to be considered?

If a quorum of the elected board or a quorum of a committee of the elected board meet to discuss any public business, including use of these funds, the meeting must be open pursuant to the Georgia Open Meetings Act.

For NEU's - on the portal is the amount "awarded" the "total award" or just the current year?

It is just the first tranche amount so 50%.

Where exactly will we find the Interim Final Rule?

<https://public-inspection.federalregister.gov/2021-10283.pdf>