

AMERICAN RESCUE PLAN ACT FISCAL RECOVERY FUNDS DESCRIPTION AND ACKNOWLEDGEMENT FORM FOR NONENTITLEMENT UNITS OF GOVERNMENT

AUTHORITY

On March 11, 2021, the American Rescue Plan Act was signed into law by the President. Section 9901 thereof amends Title VI of the Social Security Act, codified at 42 U.S.C. 801 et seq, to add sections 602 and 603 which establish the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund, respectively. These funds are collectively referred to as Fiscal Recovery Funds and are intended to provide support to State, local, and Tribal governments in responding to the impact of COVID-19. This form focuses solely on Local Fiscal Recovery Funds for Non-Entitlement Units of Local Governments (“NEU”).

DISTRIBUTION OF FUNDS BY THE STATE TO NEUS

ARPA requires NEU funding to first pass through the State for distribution to NEUs. States may not place additional conditions or requirements on distributions of funds to NEUs. States distributing funds to NEUs are responsible for complying with the requirement that distributions to NEUs not exceed 75% of the NEU’s most recent budget. “Budget” is defined as the NEU’s most recent annual total operating budget, including its general fund and other funds, as of January 27, 2020. NEUs without formal budgets as of January 27, 2020 are allowed to self-certify their most recent annual expenditures as of January 27, 2020 for the purpose of calculating the cap. Total distributions to NEUs may not exceed the 75% cap; any excess must be returned to the federal government.

USE OF FUNDS

Local Fiscal Recovery Funds may be used by NEUs as follows:

- (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.

Local Fiscal Recovery Funds may not be used for depositing funds into any pension fund.

Further, Fiscal Recovery Funds are subject to pre-existing limitations provided in other Federal statutes and regulations and may not be used as non-Federal match for other Federal programs whose statute or regulations bar the use of Federal funds to meet matching requirements.

As a general rule, Fiscal Recovery Funds will be subject to the provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) (the Uniform Guidance), including the cost principles and restrictions on general provisions for selected items of cost and Single Audit requirements.

Fiscal Recovery Funds may be used to cover costs incurred beginning on March 3, 2021 and ending on December 31, 2024. A cost is considered “incurred” if an obligation with respect to such cost has been incurred by December 31, 2024. Funds may be expended to cover such incurred costs may occur until December 31, 2026. Any funds remaining after December 31, 2026 must be returned to the federal government.

REPORTING

NEU’s are required to submit annual Project and Expenditure reports until the end of the award period—December 31, 2026. The initial report will cover activity from the date of award to September 30, 2021 and must be submitted to Treasury by October 31, 2021. Subsequent annual reports must be submitted to Treasury by October 31 each year.

In addition to regular reporting requirements, Treasury may request other information as may be necessary or appropriate. False statements or claims made to Treasury may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in Federal awards or contracts, and/or any other remedy available by law.

RECOUPMENT

Failure to use the funds properly or to comply with the restrictions on use may result in recoupment of funds. See Treasury’s interim rule for the recoupment process and for further details.

GRANT INFORMATION

In order to comply with federal requirements relating to the administration of grants and other federal assistance funds, the following information is provided. This award is provided through a grant from the federal government via Section 9901 of the American Rescue Plan Act of 2021 under CFDA #21.027. This award is provided in accordance with the requirements set forth in the Act and other applicable federal and state law and policy, and recipient affirms that all information it has provided to the State relating to this award is true and accurate. This subaward does not include research and development. The recipient acknowledges that each recipient of these funds will be evaluated in accordance with Code of Federal Regulations, Title 2, § 200.331(b) for risk of noncompliance with federal statutes, regulations, and the terms and conditions of the award. Further, each recipients’ activities will be monitored as necessary to ensure that the subaward is used for authorized purposes, in compliance with law, and that performance goals are achieved. Other monitoring tools may be implemented depending on the level of risk posed by the recipient.

Chief Executive Officer Municipality Date