



American Rescue Plan  
Coronavirus State and  
Local  
Fiscal Recovery Funds  
(SLFRF)

Updates to the Final Rule

## ARP Fiscal Recovery Funds (FRF) – 4 Eligible Use Categories

1

Support public health expenditures / address

2

Negative economic impacts

3

Replace lost public sector revenue

4

Invest in water, sewer, and broadband infrastructure

5

Provide Premium pay for essential workers

# Final Rule Overview

The Final Rule delivers more flexibility and simplicity than the Interim Final Rule across several categories.

These updates include information on changes to the revenue loss provision, eligible capital expenditures, the streamlining of eligibility for those negatively economically impacted, and the potential for the hiring of new public sector staff.

Compliance Requirements remain unchanged under the Final Rule.

Recipients have the option to use the provisions of either the Interim Final Rule or the Final Rule between January 6, 2022 and April 1, 2022.

# Updates to Revenue Loss

Recipients may now make a one-time election of a “standard allowance” revenue loss of \$10 million to spend on government services through the period of performance under the lost revenue eligibility category.

- Allocations are not impacted by this standard allowance; recipients receiving less than \$10 million may simply choose to apply their entire allocation to the provision of government services.

If choosing this option, there is no need to calculate your NEU’s revenue loss.

Your NEU can begin to apply these funds “for the provision of government services” immediately.

# What does this mean for my NEU?

- NEUs can use the amount of SLFRF program funds dedicated to revenue replacement “for any service traditionally provided by a government, unless Treasury has stated otherwise” through the SLFRF period of performance. Examples of Government Services not otherwise eligible under other SLFRF categories include:
  - Construction of schools and hospitals,
  - Road building and maintenance,
  - Health services,
  - General government administration, staff, and administrative facilities,
  - Environmental remediation;
  - Provision of police, fire, and other public safety services (including purchase of fire trucks and police vehicles); and,
  - Funds assigned to revenue loss can now be used to meet the non-federal cost-share of many other Federal programs.

# Non-Federal Match Uses

Under the Final Rule, recipients may use funds applied to the revenue loss provision for the non-federal match share for most other federal programs requiring such matches.

Programs that may require or recommend as part of a strong application a local government match include:

- Hazard Mitigation Grant Program (HMGP)
- Community Development Block Grants (CDBG)
- Building Resilient Infrastructure and Communities (BRIC)

These and other programs requiring local matches have received significant supplemental funding through the Infrastructure Investment and Jobs Act (IIJA).

# Compliance

Maintaining a robust compliance program throughout the program remains critical.



All Uniform Guidance regulations discussed on the previous webinar, including subrecipient monitoring, the applicability of the Single Audit, and the maintaining of strong internal controls and procurement practices, remain in effect for these funds.



Treasury has emphasized that they have recoupment authority for mismanaged funds.



The first NEU Project & Expenditure Report is due April 30, 2022, and will cover the period through March 31, 2022.

A 3D rendering of a field of dark grey question marks. In the center, one question mark is highlighted in a bright yellow color. The word "QUESTIONS?" is written in white, sans-serif capital letters across the yellow question mark.

QUESTIONS?