

SBOA GUIDANCE ON THE AMERICAN RESUCE PLAN ACT – MEMORANDUM

On March 18th, 2021, the State Board of Account (“SBOA”) sent out a memorandum in response to the \$1.9 trillion stimulus package (American Rescue Plan Act, “ARP”) which includes State and Local funding provisions. The purpose of this memorandum is to make sure you have the most up-to-date information pertaining to the SBOA’s opinion. Please note that this information does not constitute a legal opinion. We strongly recommend discussing these matters with legal counsel. The following is based on the latest information from the Government Finance Officers Association (“GFOA”) and the SBOA:

Which agency will disburse the funds and how do we account for funds?

- Counties, Cities, and Towns will receive funding directly from the federal government
- The governing body must adopt an ordinance establishing a local ARP fund to receive the allocation in accordance with State Examiner Directive 2021-1 (Directive)
 - Counties:
 - Fund Number: 8950-8975
 - Fund Name: “ARP [Name of Grant]”
 - Cities & Towns:
 - Fund Number: 179-199
 - Fund Name: “ARP [Name of Grant]”

Does the money need to be appropriated prior to being disbursed?

- Money must be appropriated and disbursed in the ARP Grant Fund
 - **Money shall not be transferred to another fund, for any purpose**
- The fiscal officer is responsible for upholding the claims process and filing of paperwork
 - This includes detailed calculations of the reduction in revenue due to COVID-19, should the funding be used for that purpose

What are qualified uses of ARP Funds?

- Replacement of lost revenue directly attributable to the Health Pandemic
 - Burden of proof is on the unit – see previous question
 - 2019 will be used as the base year to calculate revenue losses for years 2020-2023
- Investment in water, sewer, and/or broadband infrastructure
 - Must be listed as a capital asset in the Capital Assets Ledger
 - **May fund operations up to the extent of revenue loss- see previous point**
- Additional “special pay” for public safety personnel
 - Must be in direct response to Health Pandemic
 - Units may also grant funds to private employers for this specific purpose
- Units may “provide assistance” to private employers directly impacted by the Health Pandemic, primarily those in tourism, hospitality, and travel, and/or grant funds directly to private employers that provide an essential public health/safety response to the Pandemic

Please do not hesitate to be in touch, should you have any questions or need further assistance.