

# City of Lakewood, WA ARPA Reporting Webinar

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WEDNESDAY, JUNE 29<sup>TH</sup>, 2022

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[CITYOFLAKEWOOD.US/ARPA](https://CITYOFLAKEWOOD.US/ARPA)

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➡ All training videos and slides can be found here: [Lakewood ARPA Technical Assistance](#)

# Eligible American Rescue Plan Act (ARPA) Activities

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- **Respond to the far-reaching public health and negative economic impacts of the pandemic**
  - Supporting the health of communities, and helping households, small businesses, impacted industries, nonprofits, and the public sector recover from economic impacts
  - **Most ARPA Subawards will fall under this category**
- **Invest in water, sewer, and broadband infrastructure**
  - Making necessary investments to improve access to clean drinking water, to support vital wastewater and stormwater infrastructure, and to expand affordable access to broadband internet
  - **Situational to infrastructure projects**
- **Replace lost public sector revenue**
  - Funding to provide government services up to the amount of revenue lost due to the pandemic
  - **This applies to the City of Lakewood itself - not beneficiaries, Subrecipients, or contractors**

# Are you a Subrecipient, a Contractor, or a Beneficiary?

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## Recipients:

- Government Units
  - City of Lakewood

## Subrecipients:

- Organizations which are awarded federal funds in order to run programs intended to promote recovery from the Covid-19 emergency
- Federal funds are still federal funds in the hands of subrecipients
- Federal record keeping requirements pass from recipients (Lakewood) to subrecipients (Non-Profit Orgs)
- **Most projects will fall under this category**

## Contractors:

- Sell goods or services to a federal fund recipient
- Operates in a competitive environment, providing services to many different purchasers

## Beneficiaries:

- Receive funds as a direct “end user” aid response to the COVID-19 pandemic from recipients or subrecipients
  - Individuals
  - Households
  - Small Businesses
  - Other Government Entities
  - Non-Profit Organizations

# Allowable Costs

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## What costs are allowable?

- The answer to “Is this cost allowable?” is usually:
  - it depends

## Direct Costs

- Identified specifically with an award
- Assigned relatively easily with a high degree of accuracy

## Indirect Costs

- Necessary for overall operations although a direct relationship is hard to show without “effort disproportionate to the benefit received”
- Subrecipients may identify indirect costs **within their total award.**

## Costs must pass the “prudent person” test: **2 CFR 200.404**

- Ordinary and necessary expense
- The result of sound business practices
- Market prices for comparable goods or services in the area
- Act with prudence to responsibilities
- Does not significantly deviate from established practices and policies

## Essentially, if it is purchased in order to achieve the goals of the project being funded, it is allowable so long as:

- Federal guidelines are followed; and,
- It is not specifically prohibited
  - i.e. Alcoholic beverages

# ARPA is different from normal grant processes

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## The ARPA Grant Award Process:

- Solicitation of Available Funds
- Application Period
- **Awarding Agency Review**
- Award Agreements
- **Recipients Incur Cost**
- Prepare Documentation
- **Recipients Receive Federal Cash as Reimbursement**
- Submit Periodic Financial Reports (Federal Claims)
- Close-Out
- **Audit**
- **Continuing Accountability**

## Awarding Agency Review

- The ARPA program puts federal funds into the hands of municipalities, skipping agency review
- This means **your program documentation and financial reports essentially become an ex post facto grant application**
- Since there is no federal agency review of ARPA awards, **expect to see audits**
- \$750,000 in federal award expenditures in a year automatically triggers single audit

## Receiving Federal Cash and Incurring Costs

- Federal cash is received by recipients (Lakewood) at the beginning (unique to ARPA)
  - Funds are reimbursed for costs with **adequate documentation**
- Eligible Subrecipient costs must be incurred during the term of each particular subaward agreement

# Program Deadlines

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**Subaward agreements run for the term specified in each particular agreement**

The timeline below explains the deadlines of the program itself:

**December 31<sup>st</sup>, 2024:**

- Recipients (Lakewood) must return funds not obligated by December 31st, 2024

**December 31<sup>st</sup>, 2026:**

- Recipients (Lakewood) must return funds not exhausted by December 31st, 2026
- Subrecipients must return any funds not spent by 12/31/26 to Lakewood

**December 31<sup>st</sup>, 2031:**

- All financial and program records of ARPA awards must be kept until December 31st, 2031
- Project records and documentation must be kept until December 31<sup>st</sup>, 2031, regardless of the term of the subaward agreement

# Federal Financial Requirements

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## **Subrecipients are subject to the same federal financial requirements as Recipients (Lakewood)**

- Internal controls, financial statements
- Compliance - adherence to program guidelines
- GASB Standards

## **Timely and Accurate Reporting**

- Late reporting affects your audit status

## **Effective Internal Control over Cash, Property, and Other Assets**

- Chart of accounts
- Program budgets

## **Budgetary Control**

- There is no approved budget from a federal agency on the front end of this project
- **This is done by the Subrecipient**

## **Federal Fund Identification**

- Able to differentiate federal funds from other sources of income
- Must be able to show that CSLFRF funds were not obligated to costs already covered by other funding
  - (no double-dipping)

## **Written Procedures to Determine Cost Allowability**

- No specific procedure required
- Show that your purchasing procedures are documented and followed
- **Since pre-award approvals are not required, audits are very likely!**

## **Written cash management procedures**

- No specific procedure required
- Show that your cash management procedures are documented and followed

## **Sample federal project worksheets:**

- [Budget Information for Non-Construction Programs \(SF-424A\)](#)
- [Budget Information for Construction Programs \(SF-424C\)](#)

# ARPA Documentation Information

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## General Documentation:

- Auditors will be checking that documentation supports the budget and scope of work
- Following written procedures
- Program financial records
- **Timing of costs incurred**
  - Checked against your subaward agreement
- Personal information used to qualify beneficiaries must remain confidential

→ [cityoflakewood.us/arpa](https://cityoflakewood.us/arpa)

## Audit Documentation:

If audited, your documentation will need to show that funds were expended for **allowable costs** performing **eligible activities**

### Financial Statements

- Financial position
- Results of operations
- Changes in net assets
- Where appropriate, cash flows for fiscal year
- Schedule of Expenditures of Federal Awards

### Auditor's "Cheat Sheet"



Remember: Compliance with ARPA is ultimately the responsibility of the City, and Lakewood will be held accountable for non-compliance of its Subrecipients. **As a result, Lakewood will be monitoring Subrecipients' use of ARPA funds. Potential monitoring activities may include, but are not limited to:**

- 
- Providing training or technical assistance ([12/6/21, 2/23/22, 6/29/22](#), future dates TBA)
  - Reviewing financial reports
  - Performing on-site monitoring visits (these will begin in 3<sup>rd</sup> Quarter 2022 and continue through the terms of contracts)
  - Reviewing audit reports
  - Reviewing programmatic reports
  - Performing desk reviews
  - Performing, or have an independent auditor perform, agreed upon procedures
  - Following up on any prior year corrective action plan
  - Making sure the entity receives a single audit, if required\* Reviewing the results of the single audit
    - Making sure the entity filed its report with the Federal Audit Clearing House (FAC)

[Click above to access past trainings and info](#)

**Important: If any audit findings, questioned costs, or other deficiencies are noted, the City must make management decisions regarding these issues.**

\*Recipients and Subrecipients that expend more than \$750,000 in Federal awards during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at [2 CFR Part 200, Subpart F](#) regarding audit requirements.

# Questions used by Lakewood staff and Auditors may include, but are not limited to:

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- Is the entity suspended or debarred at the state or federal level? (if yes to either, no funds will be awarded).
- Is the auditor's opinion modified?
- Are there any findings, management letter items?
- Has the entity had any questioned costs or unallowable payments?
- Are current assets sufficient to pay current liabilities?
- Does the entity have a negative fund balance?
- Does the entity have less than two months of reserves?
- Has the entity received a single audit in the past three years?
- Do the notes to the financial statements disclose related party transactions or conflicts of interest?
- Are there negative subsequent events, lawsuits, etc.?
- Is the Subrecipient experienced with federal programs?
- Has the Subrecipient experienced significant turnover in key staff?
- Does the City have prior experience with this Subrecipient?
- Based on prior experience, rate risk of non-compliance.
- Any borrowing to support operations?
- Does the entity submit documents in a timely manner?
- Is the accounting system sufficient to track federal funds separately from non-federal funds?
- Is the Subrecipient knowledgeable about federal requirements?

# What goes into a Subrecipient report?

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## Identification:

- **Federal UEI (unique entity identifier) number is required starting April 30<sup>th</sup>** – request at [www.sam.gov](http://www.sam.gov)
- DUNS number is being replaced by UEI
- **Your UEI is not your EIN**

## Project Status:

- Not Started
- Completed less than 50 percent
- Completed 50 percent or more
- Completed

## Project Demographics:

- Does the project serve a QCT or a disproportionately impacted community\*?
- Services provided to disproportionately impacted community areas
- Services provided to citizens in disproportionately impacted communities
- Low-income households and populations
- \*Households and populations residing in Qualified Census Tracts
- \*Households that qualify for certain federal programs
- \*Households receiving services provided by Tribal governments
- \*Households residing in the U.S. territories or receiving services from these governments

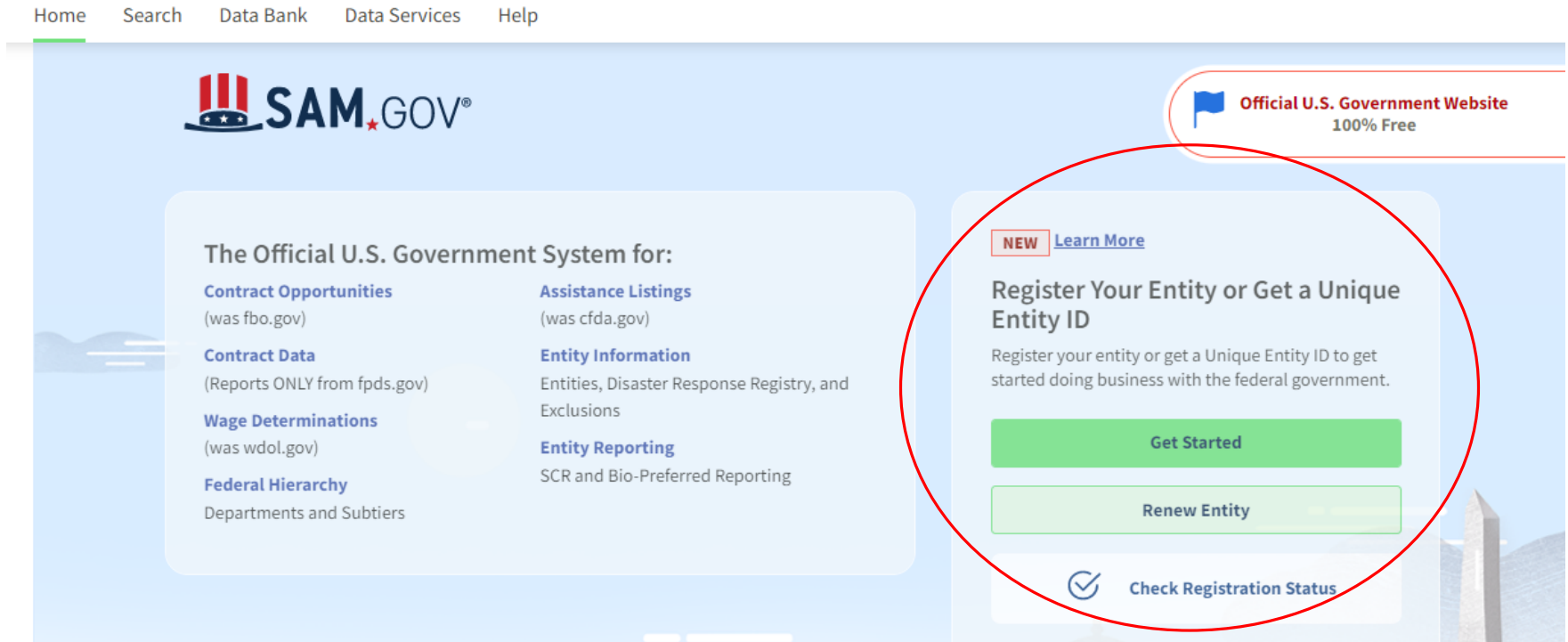
## Obligations (reserved) & Expenditures (spent):

- Current period obligation
- Cumulative obligation
- Current period expenditure
- Cumulative expenditure

## Expenditure Details:

- Pay to workers
  - Payroll
  - Benefits
- Goods, Services, Equipment:
  - Receipts
  - Contracts
  - Service Agreements
- Funds distributed to beneficiaries
  - Program agreement
  - Sign-in sheet

# How do I get a Unique Entity ID (UEI) number?



## Go to SAM.gov:

- Your **DUNS** number is being replaced by a new **UEI** number. **Your UEI is not the same as your EIN**
- DUNS number has been removed from [SAM.gov](https://sam.gov)
- Click on [Get Started](#) or [Renew Entity](#), whichever applies to you.

**The first time you update your entity after April 4, 2022, you will be required to validate the legal business name and physical address for your entity.**

**New entities do not need a DUNS number and can instead apply for a UEI.**

# Subrecipient Reporting Schedule

## Subrecipient Quarterly Project and Expenditure Report due dates:

- 1st qtr: April 15th
- 2nd qtr: July 15th** ←
- 3rd qtr: Oct 15th
- 4th qtr: Jan 15th

Subrecipients will be invited to present to the City Council in addition to providing reports and data to the City.

- December 6, '21 = Communities in Schools Lakewood (2021 Warriors of Change program)
- June 21, '22 = Pierce County BIPOC Business Accelerator
- July 18, '22 = Clover Park School District (Youth Mental Health Services, Low Income Housing Institute (Aspen Court), Tacomaprobono (Eviction
- TBD '22 = YMCA, B&GC, RTSS, H4H, Workforce Central Career Team, NW Youth Corps, WPFR

Organization Name:  
Address:  
Address:  
Phone:  
Email:

TO:  
Lakewood ARPA Program  
ATTN: Tiffany Speir  
6000 Main St SW  
Lakewood, WA 98499  
Phone: 253.983.7702  
[tspeir@cityoflakewood.us](mailto:tspeir@cityoflakewood.us)

## ARPA SUBRECIPIENT QUARTERLY REPORT

UEI# (FROM SAM.GOV):  
DATE SUBMITTED:

TIME PERIOD COVERED BY REPORT:

Start Date

End Date

CITY OF LAKEWOOD CONTACT	LAKEWOOD SUBAWARD NO.	QUARTER	YEAR	IS THIS A MULTI-YEAR SUBAWARD?
Tiffany Speir	2022 - XXX	QX	XXXX	Y / N

Obligation & Expenditure Reporting (all funds must be obligated no later than 12/31/2024)	
Current period total obligation:	\$XXXX.XX
Cumulative total obligation:	\$XXXX.XX
Current period total expenditure:	\$XXXX.XX
Cumulative total expenditure:	\$XXXX.XX

Progress Update (indicate one of the following statuses)	
Project not started:	X
Project completed less than 50%	X
Project completed more than 50%	X
Project complete	X

Primary place of performance:

Uses of funds (most Lakewood projects will fall under one of the following two categories):

- Negative Economic Impacts (Expenditure Category 2)
- Services to Disproportionately Impacted Communities/QCTs (Expenditure Category 3)

Report	Due Date
1 <sup>st</sup> Quarter	April 15 <sup>th</sup>
2 <sup>nd</sup> Quarter	July 15 <sup>th</sup>
3 <sup>rd</sup> Quarter	October 15 <sup>th</sup>
4 <sup>th</sup> Quarter	January 15 <sup>th</sup>

## City Council Reports

- April 25<sup>th</sup> 2021 Year-end report
- May 9<sup>th</sup>, 1st qtr 2022
- Sept 12<sup>th</sup>, 2nd qtr 2022
- Dec 12<sup>th</sup>, 3rd qtr 2022

## Multi-year subaward agreements will be renewed on a yearly basis:

- City and Subrecipient will evaluate projects on the accuracy of budget and scope of work during 3<sup>rd</sup> & 4<sup>th</sup> Qs each year)

# City of Lakewood Invoice Requirements

## Fill out invoice template

- Item description
- ARPA expenditure category
- Total amount

## Attach supporting documents

- Bills
- Payroll
- Receipts
- Other costs identified for reimbursement

## Provide a project status report

- Status - specific to the requested reimbursement
- Status of overall project (can be brief)
- No more than 750 words total

## Submit as often as needed (not just quarterly)

- City will process and fund complete reimbursement requests within 30 days

Org. Name \_\_\_\_\_  
Address \_\_\_\_\_  
Address \_\_\_\_\_  
Phone \_\_\_\_\_  
Email \_\_\_\_\_

## ARPA REIMBURSEMENT REQUEST

INVOICE # \_\_\_\_\_  
DATE: \_\_\_\_\_

TIME PERIOD COVERED BY INVOICE:

Start Date \_\_\_\_\_

End Date \_\_\_\_\_

TO:  
Lakewood ARPA Program  
ATTN: Tiffany Speir  
6000 Main St SW  
Lakewood, WA 98499  
Phone: 253.983.7702  
[tspeir@cityoflakewood.us](mailto:tspeir@cityoflakewood.us)

CITY OF LAKEWOOD CONTACT	LAKESWOOD CONTRACT NO.	TERMS
Tiffany Speir	XXXX - XXX	30 Days

ITEM	DESCRIPTION	DOES THIS PRIMARILY SERVE DISADVANTAGED COMMUNITIES?	LIST ANY SUPPORTING DOCUMENTS ATTACHED	SUBTOTAL
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
TOTAL DUE				



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*Thank you!*

Tiffany Speir 253.983.7702 / [tspeir@cityoflakewood.us](mailto:tspeir@cityoflakewood.us)

Ted Thelin 253.433.4177 / [tthelin@cityoflakewood.us](mailto:tthelin@cityoflakewood.us)

[cityoflakewood.us/arpa](https://cityoflakewood.us/arpa)

# What other guidance is available?

## City Website

- <https://cityoflakewood.us/arpa>

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## Treasury Department SLFRF Information

### Overall Page / YouTube Series

- ➔ ◦ [SLFRF FAQ](#)
- ➔ ◦ [Overview of the Final Rule](#)
  - [Treasury Interim Final Rule](#)
  - [Treasury Final Rule](#)
- [Compliance Supplement Addendum Assistance Listing 21.027 \(Auditor's "Cheat Sheet"\)](#)
- ➔ ◦ <https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf> - 6/17/22
  - Please note that the compliance and reporting guidance has been updated as of 6/17/22.
  - Check your expenditure categories to ensure you are completing the required reporting

## Code of Federal Regulations

- [2 CFR 200, Grants and Agreements](#)
- [2 CFR 200, Subpart E: Cost Principles](#)
- [2 CFR 200, Subpart F: Audit Requirements](#)
- [Treasury Selected Items of Cost](#)