

## **Eligibility Determination Policy** **for ARPA/CSLFRF**

This policy defines the permissible and prohibited uses of the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARPA/CSLFRF) funds. It also outlines the procedures for determining how Guilford County will spend its ARPA/CSLFRF funds.

### **I. PERMISSIBLE USES OF ARPA/CSLFRF FUNDING**

US Treasury issued its **Final Rule** regarding use of ARPA funds on January 6, 2022. (The Final Rule was effective as of April 1, 2022. The Final Rule (and the Interim Final Rule) identify permissible uses of ARPA/CSLFRF funds and certain limitations and process requirements. Local governments must allocate ARPA/CSLFRF funds no later than December 31, 2024 and disburse all funding no later than December 31, 2026. Failure of an entity to expend all funds by December 31, 2026 will result in forfeiture of ARPA funds.

ARPA/CSLFRF funds may be used for projects within the following categories of expenditures:

1. Support COVID-19 public health expenditures, by funding COVID-19 mitigation and prevention efforts, medical expenses, behavioral healthcare, preventing and responding to violence, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, non-profits, impacted industries, and the public sector;
3. Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
4. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet; and

### **II. PROHIBITED USES OF ARPA FUNDING**

The ARPA/CSLFRF and US Treasury's Final Rule prohibit certain uses of ARPA/CSLFRF funds. Specifically, ARPA/CSLFRF funds may not be used for projects within the following categories of expenditures:

1. To make a deposit into a pension fund that constitutes an extraordinary payment of an accrued, unfunded liability (Note that routine contributions as part of a payroll obligation for an eligible project are allowed.);
2. To borrow money or make debt service payments;
3. To replenish rainy day funds or fund other financial reserves;
4. To satisfy an obligation arising from a settlement agreement, judgment, consent decree, or judicially confirmed debt restricting in a judicial, administrative, or

- regulatory proceeding (There is an exception to this prohibition if the settlement or judgment requires the Guilford County to provide services to respond to the COVID-19 public health emergency or its negative economic impacts or to provide government services, then the costs of those otherwise ARPA/CSLFRF-eligible projects are allowed.);
5. For a project that includes a term or condition that undermines efforts to stop the spread of COVID-19 or discourages compliance with recommendations and guidelines in CDC guidance for stopping the spread of COVID-19;
  6. In violation of the conflict-of-interest requirements imposed by the award terms and 2 CFR 200.318(c).
  7. For any expenditure that would violate other applicable federal, state, and local laws and regulations.

Guilford County, and any of its contractors or subrecipients, may not expend any ARPA/CSLFRF funds for these purposes.

### **III. PROCEDURES FOR PROJECT APPROVAL**

The following are procedures for ARPA/CSLFRF project approvals. All Guilford County employees and officials must comply with these requirements.

1. Requests for ARPA/CSLFRF funding, must be made in writing and include all the following:
  - a. Brief description of the project
  - b. Identification of ARPA/CSLFRF Expenditure Category (EC) (A list of ECs in in the Appendix to the US Treasury Compliance and Reporting Guidance.)
  - c. Required justifications for applicable projects, according to the requirements in the Final Rule. Employees or any applicant seeking ARPA funding should review the Final Rule and Final Rule Overview prior to submitting a proposal.
  - d. Proposed budget, broken down by cost item, in accordance with the [Local Government Name]'s Allowable Cost Policy.
  - e. A project implementation plan and estimated implementation timeline (All ARPA/CSLFRF funds must be fully obligated by December 31, 2024, and fully expended by December 31, 2026.)
2. Requests for funding must be submitted to the Pandemic Recovery Office for approval. All requests will be reviewed by the Pandemic Recovery Office for ARPA/CSLFRF compliance and by Pandemic Recovery Budget & Financial Analyst Abby Gostling for allowable costs and other financial review.
3. No ARPA/CSLFRF may be obligated or expended before final written approval by the Pandemic Recovery Office.
4. If a proposal does not meet the required criteria, it will be returned to the requesting party for revision and resubmittal.
5. Following approval, employees responsible for implementing the project must conform actual obligations and expenditures to the pre-approved project budget. Changes in project budgets must be approved by the Pandemic Recovery Office and may require a budget amendment before proceeding. Any delay in the projected project completion date shall be communicated to the Pandemic Recovery Office immediately.

6. The Pandemic Recovery Office must collect and document required information for each EC, for purposes of completing the required Project and Expenditure reports.
7. The Pandemic Recovery Office must maintain written project requests and approvals, all supporting documentation, and financial information at least until December 31, 2031.