

JANUARY 2022

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Indiana State Board of Accounts

January 2022 Webinar



twinkl.com

1

Fund Number Change – Frequently Asked Questions

Q: *When do the new 4-digit numbers go into effect?*

A: January 1, 2022

Q: *Do I have to use the new 4-digit number on the AFR I'm working on right now?*

A: No. The AFR you're working on right now is for 2021 and the 4-digit numbers do not apply to the 2021 reporting year.


Q: *Where can I find the fund number listing?*

A: Cities and Towns Manual, Chapter 3, page 3-5
<https://www.in.gov/sboa/files/City-and-Town-Manual-Chapter-3.pdf>

The following prescribed fund names are required by statute or are currently in use by municipalities pursuant to annual reports filed with the State Board of Accounts. Further funds will be added as required. Fund numbers shall be used as listed. Numbers include fund type, for instance (2/01, etc).

General Funds (1101-1199):
1101 General Fund

Special Revenue Funds (2201-2599):
2201 Motor Vehicle Highway
2202 Local Road and Street
2203 MVH Restricted (subfund of Motor Vehicle Highway)
2204 Park and Recreation - Operating
2205 Cemetery Operating (operating mostly with tax revenue support - not user fees)
2206 Aviation (operation mostly with tax revenue support - not user fees)
2207 Parking Meter
2208 Levy Excess
2209 LIT - Economic Development (formerly CEDIT)
2210 Thoroughfare (where used for maintenance and repairs instead of new construction)
2211 Park Nonreverting Operating
2212 Health



Indiana State Board of Accounts - 2022

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Fund Number Change – Frequently Asked Questions

Q: I have some funds not listed on the chart. Where do they go?

A: If you have a fund on your ledger that’s not listed on the chart, there is a category with a range of available numbers.

For example, **Home Rule** special revenue funds can have a number within the range 2500-2599:

2255	Public Safety Officers Survivors Health Coverage Cumulative Fund
2256-2299	Reserved for future statutory special revenue funds
2300-2399	Donations (restricted; not used for capital items)
2400	CARES Provider Relief Fund
2401-2499	Grants – special revenue
2500-2599	Local / Home Rule funds

Restricted donations (those that are not restricted solely for capital items) can have a number within the range 2300-2399:

2255	Public Safety Officers Survivors Health Coverage Cumulative Fund
2256-2299	Reserved for future statutory special revenue funds
2300-2399	Donations (restricted; not used for capital items)
2400	CARES Provider Relief Fund
2401-2499	Grants – special revenue
2500-2599	Local / Home Rule funds



Fund Number Change – Frequently Asked Questions

Q: I have some funds not listed on the chart. Where do they go? (continued)

A: If you have a **grant fund** on your ledger that’s not listed on the chart, there is a category with a range of available numbers depending on the fund type.

For example, most grants will be considered special revenue and each grant can have a number within the range 2401-2499. This includes CARES and ARPA grants.

2255	Public Safety Officers Survivors Health Coverage Cumulative Fund	2255	Public Safety Officers Survivors Health Coverage Cumulative Fund
2256-2299	Reserved for future statutory special revenue funds	2256-2299	Reserved for future statutory special revenue funds
2300-2399	Donations (restricted; not used for capital items)	2300-2399	Donations (restricted; not used for capital items)
2400	CARES Provider Relief Fund	2400	CARES Provider Relief Fund
2401-2499	Grants – special revenue	2401-2499	Grants – special revenue
2500-2599	Local / Home Rule funds	2500-2599	Local / Home Rule funds

Grants could also fall into other fund types, like the capital project fund type. There, the range is 4500-4599

4445-4465	Redevelopment TIF Allocation
4466-4475	Special Zone
4476-4499	Reserved for future statutory capital project funds
4500-4599	Grants – capital projects (not general or special revenue)
4600-4650	Donations (restricted - not special revenue)
4651-4699	Local / Home Rule capital projects funds



Fund Number Change – Frequently Asked Questions

Q: I have some funds not listed on the chart. Where do they go?

A: If you account for a **utility cash change fund** as a separate fund, you can use a fund number within the range for “Other Enterprise funds not listed”

6600-6606	Other utility water utility funds not listed
6601	Sanitation (if operating mostly from user fees)
6602	Transportation (if operating mostly from user fees)
6603	Airport (if operating mostly from user fees)
6604	Trash and Garbage Pickup (if operating mostly from user fees)
6605	Cemetery (if operating mostly from sale of lots and other user fees)
6606	Emergency Medical Services (if operating mostly from user fees)
6607-6999	Other Enterprise funds not listed

If you have a **city/town petty cash fund** that you account for in a separate fund, while there isn't a stated range for it, this would be considered a “general fund type” and you could use a number after 1101 (for example: 1102 Petty Cash)

General Funds (1101-1199):
1101 General Fund



Indiana State Board of Accounts - 2022

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Fund Number Change – Summary

- 4-digit fund numbers apply as of January 1, 2022
- *Cities & Towns Manual* (Chapter 3)
- Funds not on list, look for a range that applies
- If still working on conversion – don't stress
- Audit Expectations
 - ✓ Fully converted as soon as possible
 - ✓ Problems – document for auditors
 - ✓ No audit exception if evidence exists you're attempting to convert
- AFR for 2023 will need the 4-digit fund numbers
- Contact software vendors for support

I just need
the main ideas



www.blendspace.com/lessons/10X7010c1rw3ba/copy-of-summarizing



Indiana State Board of Accounts - 2022

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Do you need an audit?

~ Need vs. Want ~

Want:

- Last audit long time ago
- New official
- Confirmation doing things correctly

Need:

- Issuing bonds
- SRF
- Existing debt – “continuing disclosure requirement”
- Enough federal assistance to require one



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Do you need an audit?

If you are:

- Spending enough to trigger a Federal audit
- Have existing debt (bonds, notes, loans) that contains audit requirements (usually referred to as 'continuing disclosure requirements')
- Issuing bonds and/or closing on a State Revolving Loan (SRF)

You need to let SBOA know so we can get you in the audit plan for the year.

- Also required by IC 5-11-1-25(c)



Indiana State Board of Accounts - 2022

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Do you need an audit?

IC 5-11-1-25 Risk based examination criteria used to determine examination frequency; biennial school corporation examinations

(c) Examinations must be conducted annually for the following:

- (1) The state.
- (2) **An audited entity** (other than a school corporation) **that requires an annual audit:**
 - (A) because of the receipt of federal financial assistance in an amount that subjects the audited entity to an annual federal audit;**
 - (B) due to continuing disclosure requirements; or**
 - (C) as a condition of a public bond issuance.**

(3) A development authority.

An audited entity shall, under the guidelines established by the state board of accounts, provide notice to the state examiner not later than sixty (60) days after the close of the audited entity's fiscal year that the audited entity is required to have an annual audit under subdivision (2).



Do you need an audit?

<p>5.1 Did your unit have outstanding debt at any time during the year, including at year-end? Debt can be in the form of bonds, notes, loans, or judgments payable over more than one year. Leases are considered separately (see question 6 below).</p>	<p><input checked="" type="radio"/> Yes <input type="radio"/> No</p>
<p>5.1a If yes, do the bond covenants or loan agreements require you to receive an audit?</p>	<p>Yes – Annually ▼</p>
<p>5.2 Does your unit plan to issue new bond debt in the next 12 months? New bond issuance often requires an audit of your records within the last two years. It's important to provide the most up to date information as soon as you become aware. Audit schedules are planned out in March for the remainder of the year. If you anticipate that you will issue new bonds in the next 12 months, you should answer Yes here.</p>	<p><input checked="" type="radio"/> Yes <input type="radio"/> No</p>

[Annual Financial Report / Unit Questions]



Do you need an audit?

5.1a If yes, do the bond covenants or loan agreements require you to receive an audit?

Yes – Annually ▾

[Annual Financial Report / Unit Questions]

If you have debt and you aren't sure if the bond covenants or loan agreements require an audit, consult your attorney and/or inquire of the financial institution where the debt is.



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Positive Pay VS. Reverse Positive Pay

What they are
&
how they're different



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Positive Pay vs. Reverse Positive Pay



POSITIVE PAY

- Fraud-prevention system
- Can stop counterfeit or altered checks
- Listing of checks that are authorized to be paid is given to bank by check issuer (city/town)
- Bank compares list to checks presented
- Bank only pays checks authorized by issuer
- If checks are presented and not on the approved list, bank doesn't pay & contacts issuer

REVERSE POSITIVE PAY

- Fraud prevention system
- Can stop counterfeit or altered checks
- Check issuer (city/town) monitors its checks on its own
- Bank notifies issuer daily of checks presented and only clears those specifically approved by the issuer
- Issuer has more responsibility
 - ✓ Monitoring list from bank
 - ✓ Notifying bank to decline honoring a check



Indiana State Board of Accounts - 2022

*As defined per Investopedia www.investopedia.com

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Positive Pay vs. Reverse Positive Pay



<https://www.123rf.com/>



What we recommend you do:

- Talk with your bank
- See if Positive Pay or Reverse Positive Pay is right for your city/town
- Discuss fees – how much do they cost
- Implement necessary internal controls



Indiana State Board of Accounts - 2022

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Highway Annual Operational Report (HAOR)

- Applies *only* to cities and towns with populations > 15,000
- Report for period 1/1/21 to 12/31/21 due **June 1, 2022** [IC 8-17-4.1-7]
- Required to be submitted electronically through LTAP's Data Management System (DMS)

Report (a spreadsheet) is available in DMS <https://ltapdms.itap.purdue.edu/ltap>

Questions about DMS - ltap-dms@purdue.edu

Questions about the HAOR - highwayreport@sboa.in.gov

Need a refresher – videos:

Getting started in DMS – <https://youtu.be/-9hvR-7UVR4>

Using DMS for your submission - https://youtu.be/4In9G_zzRV8



Indiana State Board of Accounts - 2022

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Accounting for State Revolving Fund (SRF) Loans

- SRF loan transactions are handled by a third-party trustee – BNYM
- From an accounting perspective, money is the fiscal responsibility of the city/town
- Financial activity is to be recorded on your ledgers in separate funds (#2401-2499)
- Activity can be posted from BNYM bank statement
- Fund(s) to be reported in AFR and subsequently will be on your financial statements that SBOA audits
- If not reported in AFR or financial statements, we will (during an audit) propose audit adjustments to both the AFR and financial statements to include the activity
- *Cities and Towns Bulletin*, December 2021 p. 3 <https://www.in.gov/sboa/files/CT-December-2021-Bulletinfinal.pdf>



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100R - Filing Requirements

IC 5-11-13-1

Certified Report of Names, Addresses, Duties and Compensation of Public Employees

Information must be entered into Gateway

Internal Control Considerations

Due January 31

Unit Questions	Status
Employee Data Entry	Complete 0 Rows Entered
Negotium Policy Upload	Uploaded for 2020 on Jan 20 2021 7:09AM
Contracting Policy Upload	Uploaded for 2018 on Dec 7 2018 11:18AM
100R Report Outputs	Available
Submit 100R	Not Submitted

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100R - Unit Questions

100R Unit Questions ?

County: **sboatest County**
 Unit: **Sboa City Unit**
 Year: **2021**

Please answer all of these questions – they help determine what is required for your unit to complete the 100R submission via Gateway.

1. Please enter the number of employees (full and part time) that you paid compensation to **anytime during the past year**. Use IRS guidelines to determine employment status and compensation. If you did not have any paid employees, enter 0. **This will delete any employee records for this unit for this year.**

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100R - Unit Questions

2. Will you enter the data manually or upload a file? Manual Upload

County: **sboatest County**
 Unit: **Sboa City Unit**
 Year: **2021**

100R Employee Data Entry ?

Enter total compensation for the reporting year for each employee for which you should have supplied a W-2. Many units inappropriately report board member payments on 1099s. According to IRS requirements they should be issued W-2s, and therefore should be included on the 100R.

Delete	Last Name	First Name	Middle Initial	Department Name	Business Address	Business City	Bus. State Abr.	Business Zip Code	Job Title	Total Compensation
<input checked="" type="checkbox"/>	Gordon	Susan			123 Main Street	Toddville, IN	IN	48000	Clerk Treasurer	\$10,000.00
<input checked="" type="checkbox"/>	Caldwell	Todd			123 Main Street	Toddville, IN	IN	48000	Town Manager	\$50,000.00
<input checked="" type="checkbox"/>	<i>Required</i>	<i>Required</i>			<i>Required</i>	<i>Required</i>	<i>Required</i>	<i>Required</i>	<i>Required</i>	<i>Required</i>

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100R - Unit Questions

2. Will you enter the data manually or upload a file? Manual Upload

Select Unit and Year > [100R Main Menu](#) > **Upload Files**

County: sboatest County
 Unit: Sboa City Unit
 Year: 2021

Upload Files ?

File Type	Status
Employment Records	

REMEMBER: Your upload file MUST be in the proper format. Directions are available in the HELP section for 100R and at this link:
https://www.in.gov/sboa/files/Gateway100R_Upload_Specs.pdf

https://www.in.gov/sboa/files/Gateway100R_Upload_Specs.pdf

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100R - Unit Questions

	Full-Time	Part-Time
3. Are health benefits provided to employees?	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input checked="" type="radio"/> No
4. Are pension/retirement benefits provided to employees?	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input checked="" type="radio"/> No
5. Are any other benefits provided to employees?	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input checked="" type="radio"/> No

Has your unit implemented the following?

6. A nepotism policy per IC 36-1-20.2	<input checked="" type="radio"/> Yes <input type="radio"/> No There is a policy on file for this unit.
7. A contracting policy per IC 36-1-21	<input checked="" type="radio"/> Yes <input type="radio"/> No There is a policy on file for this unit.

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100R - Nepotism Policy Upload

Nepotism Policy Upload

Use this page to upload the nepotism file. The acceptable formats are pdf, jpg, tif, gif, png.

The most recent year for this policy upload was 2020 uploaded on Jan 20 2021 7:09AM. If the policy has not changed, another file does not need to be uploaded at this time.

[Click here to view the current policy on file.](#)

Upload file:

year	Upload date
No records to display.	

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100R - Contracting Policy Upload

Contracting Policy Upload

Use this page to upload the contracting file. The acceptable formats are pdf, jpg, tif, gif, png.

The most recent year for this policy upload was 2018 uploaded on Dec 7 2018 11:18AM. If the policy has not changed, another file does not need to be uploaded at this time.

[Click here to view the current policy on file.](#)

Upload file:

contracting_id	year	Upload date
No records to display.		

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100R - Report Outputs

100R Report Outputs ?

These reports are available for you to view, print or download at your convenience. The content will change if/when you change or add additional information into the system.

Report Output Format: <input type="text" value="PDF"/>	Select the output method for the report that you prefer. Choices include Adobe PDF or Microsoft Excel Format
Employee Listing	This report lists all employees entered in the system for the 100R.
Unit Questions	This report shows the unit questions as answered in the system for the 100R.

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100R - Report Outputs

Sboa City Unit, sbostest County, Indiana Total Compensation 2021

Name	Job Title	Department	Business Address	Amount
Caldwell, Todd	Town Manager		123 Main Street, Toddville, IN, IN 46000	\$50,000.00
Gordon, Susan	Clerk Treasurer		123 Main Street, Toddville, IN, IN 46000	\$10,000.00

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100R - Report Outputs

Sboa City Unit, sboatest County, Indiana
Answers to Unit Questions 2021

Please answer all of these questions - they help determine what is required for your unit to complete the 100R submission via Gateway.

1. Please enter the number of employees (full and part time) that you paid compensation to anytime during the past year . Use IRS guidelines to determine employment status and compensation. If you did not have any paid employees, enter 0.			4
2. Will you enter the data manually or upload a file?			Manual
	Full-Time	Part-Time	
3. Are health benefits provided to employees?	Yes	No	
4. Are pension/retirement benefits provided to employees?	Yes	No	
5. Are any other benefits provided to employees?	Yes	No	
Has your unit implemented the following?			
6. A nepotism policy per IC 36-1-20.2			Yes
7. A contracting policy per IC 36-1-21			Yes

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100R - Submit 100R

Submit 100R ?

County: sboatest County
Unit: Sboa City Unit
Year: 2021

Please review the following summary before certifying that the 100R data is complete.

100R Data Summary

Employee Counts	
Count Stated in Unit Questions	4
Count From Entered Records	2
Compensation Summary	
Maximum Salary	\$50,000.00
Minimum Salary	\$10,000.00
Total Salary	\$60,000.00
Nepotism Policy Upload	Loaded
Contracting Policy Upload	Loaded



Submit Report

Warning: It was stated in the unit questions that there were 4 employees for this unit. However there are only 2 employee entries in the database. Please make sure that all employee records have been entered.

[Proceed to Submit the 100R](#)


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100R - Help

- ▶ Consult the User Guide

- ▶ Contact SBOA Helpdesk
gateway@sboa.in.gov

- ▶ Contact Todd or Susan
Cities.towns@sboa.in.gov



User Guide for 100R


Note: To search the user guide, simultaneously press the "ctrl" and "F" key on your keyboard and it will open up a "Find" box within the browser. Then type in the word or characters you want to find. For example, compensation.

1. Introduction
2. Accessing the 100R
3. New for 2017
4. Helpful Hints
5. Banner Icons
6. Main Menu
7. Unit Questions
8. Employee Data Entry
9. Upload File (optional)
10. Nepotism Policy Upload
11. Contracting Policy Upload
12. 100R Report Outputs
13. Submit 100R
14. Getting Help
15. Frequently Asked Questions

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Annual Uploads

- ▶ Due March 1



State Board of Accounts (SBOA)	Deadline
100R	Jan 31
Annual Financial Report	<input type="button" value="Details"/>
Monthly and Annual Engagement Uploads	<input type="button" value="Details"/>

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Annual Uploads - Due March 1

- Year-end Investment Statements
- Detail of Receipt Activity
- Detail of Disbursement Activity
- Current Year Salary Ordinance and Amendments
- Annual Vendor History Report
- Annual Funds ledger (beginning balance, receipts, disbursements, and ending balance by fund)
- Annual Payroll History Report - without SSN
- Court Trust Fund Subsidiary Detail (as of December 31)
- OPTIONAL - Excel Data Capture in lieu of transaction level Detail of Receipts and Disbursements

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Annual Uploads

Investment Statements

- Similar to checking account statement
- December 2021 account statement
- For all investment accounts

If you do not receive a statement at the end of the year, you may upload documents that show when the investment or certificate of deposit was purchased and the value at the time it was purchased.

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Annual Uploads

Detail of Receipt Activity

- Does not apply if hand-posted records
- Listing of all receipts issued & posted
 - ✓ Receipt Numbers
 - ✓ Date Received
 - ✓ Amount of Receipt
 - ✓ Fund
 - ✓ Who it was received from

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Annual Uploads

Detail of Disbursement Activity

- Does not apply if hand-posted records
- Listing of all non-payroll disbursements issued & posted
 - ✓ Check Numbers
 - ✓ Date Disbursed
 - ✓ Amount of Disbursement
 - ✓ Fund
 - ✓ Vendor/Payee Name

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Annual Uploads

Current Year Salary Ordinance

- Scan & upload 2021 salary ordinance(s) and any amendments in effect at end of year

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Annual Uploads

Vendor History Report

- Does not apply if hand-posted records
- Shows the total amount disbursed to each vendor/payee for the year.
- Should show a total by vendor

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Annual Uploads

- **Annual Funds Ledger**

- Summary of the beginning balance, total receipts, total disbursements and ending balance of each fund for the year.

An Excel file is preferred if you have computerized records but is not required.

- If you have manual records, you can upload a scan or photo of your manual records that include this data.

A Funds Ledger-Manual Records Template is in the User guide.

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Annual Uploads

- **Annual Payroll History Report**

- Include at a minimum for all payroll checks issued for the year:
 - ✓ date,
 - ✓ employee name,
 - ✓ gross wages, and
 - ✓ check number
- An Excel file is preferred or a searchable PDF.
- This is not required if you have hand posted records.

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Annual Uploads

- **Court Trust Fund Subsidiary Detail**
- Subsidiary listing as of December 31 which should include the -
 - ✓ name,
 - ✓ description, and
 - ✓ account balance at year end.
- The total should agree to the fund balance year end.

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Annual Uploads

OPTIONAL-Excel Data Capture (Data Dump) in lieu of Receipts and Disbursement Reports -

- Check with your software vendor to see if this available to you.
- This should include receipts including receipt numbers, date received, amount of receipt, fund posted to, and who it was received from.
- This should also include disbursements including check numbers, date disbursed, amount of disbursement, fund posted to, and vendor/payee names .

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Monthly Uploads



Bank Statements, Bank Reconciliation, Outstanding Check List



Approved Board Minutes



Funds Ledger

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100R - Help

Consult the User Guide

Contact SBOA Helpdesk

gateway@sboa.in.gov

Contact Todd or Susan

Cities.towns@sboa.in.gov

INDIANA Gateway User Guides



User Guide for Monthly and Annual Engagement Uploads

Note: To search the user guide, simultaneously press the "ctrl" and "f" key on your keyboard and it will open up a "Find" box within the browser. Then type in the word or characters you want to find. For example, reconciliation.

1. Introduction
2. Accessing the Monthly and Annual Engagement Uploads
3. Banner Icons
4. Monthly Uploads
5. Annual Uploads
6. CAAP Uploads
7. Direct Request Uploads
8. Getting Help
9. Frequently Asked Questions

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ARPA Update

The Final Rule includes updates and clarifications to the Interim Final Rule.

Look for more information in future webinars!

We encourage you to review the Final Rule to determine the best use of ARPA Funds for your city or town.

The effective date of the Final Rule is April 1, 2022, but you may start using money in compliance with the Final Rule now.

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US. Treasury Information


The screenshot shows the U.S. Department of the Treasury website. The main navigation bar includes 'ABOUT TREASURY', 'POLICY ISSUES', 'DATA', 'SERVICES', and 'NEWS'. A search bar is located on the right. Below the navigation bar, there is a banner with the text: 'We can do this. Find COVID-19 vaccines near you. Visit Vaccines.gov.' The main content area is titled 'Coronavirus State and Local Fiscal Recovery Funds'. On the left, there is a sidebar with 'POLICY ISSUES' and a list of links including 'COVID19 Economic Relief', 'Assistance for American Families and Workers', 'Assistance for Small Businesses', 'Assistance for State, Local, and Tribal Governments', 'State and Local Fiscal Recovery Fund', 'Request Funding', 'Tribal Governments', 'Non-Entitlement Units', 'Recipient Compliance and Reporting Responsibilities', and 'Capital Projects Fund'. The main content area contains the following text: 'The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of the American Rescue Plan, delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency.' Below this text, it states: 'The SLFRF program provides governments across the country with the resources needed to: • Fight the pandemic and support families and businesses struggling with its public health and economic impacts'. On the right side of the main content area, there are two buttons: 'REQUEST FISCAL RECOVERY FUNDS' and 'RECEIVE COVID-19 RELIEF UPDATES'. Below these buttons is a list of links: 'Final Rule', 'Overview of the Final Rule', 'Final Rule Press Release', 'Interim Final Rule', 'Interim Final Rule FAQs', 'Interim Final Rule Quick Reference Guide', 'Tribal Government Information', 'Non-Entitlement Unit Information', and 'Compliance and Reporting Guidance'.


<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>


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RESOURCES ON DETERMINING ELIGIBLE USES OF FUNDS UNDER THE FINAL RULE

The Final Rule  provides the rule text and supplemental information.

The Overview of the Final Rule  provides a summary of major rule provisions for informational purposes and is intended as a brief, simplified user guide for recipients and stakeholders.

The Statement Regarding Compliance with the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule and Final Rule  provides guidance on the transition from compliance with the Interim Final Rule to compliance with the Final Rule.

Tool for Determining Low and Moderate Income (LMI) Households  provides a spreadsheet to assist recipients in determining income thresholds for the Final Rule's definition of LMI in their jurisdiction and assist with administering the public health and economic response provisions of the Final Rule.

The Final Rule webinar and slide presentation  provide an introduction and summary of the Final Rule.

<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

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ARPA Update - Revenue Loss Calculation

The final rule offers a standard allowance for revenue loss of \$10 million, allowing recipients to select between a standard amount of revenue loss or complete a full revenue loss calculation.

Recipients that select the standard allowance may use that amount - in many cases their full award - for government services, with streamlined reporting requirements.

Overview of Final Rule p.4

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ARPA Update - Utilities

Recipients may fund a broad range of water and sewer projects, including those eligible under the EPA's Clean Water State Revolving Fund, EPA's Drinking Water State Revolving Fund, and certain additional projects, including a wide set of lead remediation, stormwater infrastructure, and aid for private wells and septic units.

*Overview of Final Rule p. 7 and
Final Rule starting on page 264*

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ARPA Update - Restrictions

For all recipients except for Tribal governments:

- SLFRF may not be used for deposits into pension funds, as required by the American Rescue Plan
- A "deposit" is defined as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability
- Recipients may use funds for routine payroll contributions to pensions of employees whose wages and salaries are an eligible use

For all recipients:

- Funds may not be used for debt service, replenishing rainy day funds/financial reserves, or satisfaction of a settlement or judgment
- Uses of funds may not undermine COVID-19 mitigation practices in line with CDC guidance and recommendations
- Uses of funds may not violate Uniform Guidance conflict-of-interest requirements or other applicable laws

Source: US Treasury Final Rule Webinar January 11, 2022

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ARPA Update - Reporting

Note on Reporting

Recipients should consult Treasury's reporting guidance and user guide for their reporting.

	Recipients	Requirements
Quarterly Reports Due January 31	<p>Recipients required to submit quarterly reports:</p> <ul style="list-style-type: none"> States and territories Metropolitan cities and counties with population over 250,000 Metropolitan cities and counties with population less than 250,000 that received an award of more than \$10 million Tribal governments that received an award of more than \$30 million 	<ul style="list-style-type: none"> Recipients should rely on reporting guidance and user guide issued by Treasury Portal will reflect certain final rule changes, including information on capital expenditures as part of public health and economic response, fiscal year revenue loss calculation, standard allowance election, & expanded flexibility in premium pay
Quarterly and Annual Reports Due April 30	<p>All recipients above, who are required to submit quarterly reports, as well as recipients required to submit annually, which include:</p> <ul style="list-style-type: none"> Metropolitan cities and counties with population less than 250,000 that received an award less than \$10 million, Tribal governments that received an award less than \$30 million Nonentitlement units of government 	<ul style="list-style-type: none"> Treasury will issue additional reporting guidance ahead of reports due April 30

Source: US Treasury Final Rule Webinar January 11, 2022

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