

American Recovery Plan Act Frequently Asked Questions

1. IS IT POSSIBLE TO USE THE RECOVERY FUNDS TO BUY MORGUE EQUIPMENT (EX. MORGUE FREEZER)?

See answer in #2 below.

2. CAN THE RECOVERY FUNDS BE USED TO REMODEL EXISTING SPACE INTO A FORENSIC PATHOLOGISTS' AUTOPSY SUITE AND OFFICES?

Answers for 1 and 2 (related): *Generally*, the costs would need to relate to the public health emergency, including public health services, public health capacity. FAQ 2.1 also states that “Capital investments in public facilities to meet pandemic operational needs are also eligible, such as physical plant improvements to public hospitals and health clinics or adaptations to public buildings to implement COVID-19 mitigation tactics.” If such costs were eligible under the CARES Act, then they would be eligible under ARPA (FAQ 2.2). FAQ 2.5 also allows for emergency assistance for burials. Finally, FAQ 2.3 also indicates that the list of programs in the IFR that may be eligible in responding to COVID-19 is non-exclusive.

If the costs can be shown to be a result of responding to COVID-19, then they *could* be allowable. Pg. 10 of the Interim Final Rule (IFR) says the County should be able to identify a need or negative impact of the COVID-19 public health emergency and identify how this cost would address that need or impact. The ability to document this is important to determining the allowability of these costs. (Source: Eide Bailly 7/6/21)

3. CAN COUNTIES USE THE RECOVERY FUNDS TO BACK FILL THE SIGNIFICANT LOSSES INCURRED FROM THE STATE PULLING THEIR INMATES FROM THE COUNTY JAILS DURING THE PANDEMIC?

Answer: This would have to be shown as a loss of *general revenue from the County's own sources*. General revenue does include budgetary transfers between states and local governments but excludes transfers from the federal government (see FAQ 3.1). If this is a budgetary loss, it could be part of the revenue loss calculation. **However, the calculation needs to be performed using all the revenue sources on a government-wide basis including all funds**, except for fiduciary funds, correcting transactions, debt issuances, sales of investments, agency / trust transactions and utilities. Even then, if a revenue loss is shown, it is not entirely ‘free money.’ FAQ 3.8 indicates “The Interim Final Rule gives recipients broad latitude to use funds for the provision of government

services to the extent of reduction in revenue. Government services can include, but are not limited to, maintenance of infrastructure or pay-go spending for building new infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services.” (Source: Eide Bailly 7/6/21)

4. CAN ARPA FUNDS BE DEPOSITED IN AN INTEREST-BEARING ACCOUNT?

Yes. CSFRF/CLFRF payments made by Treasury to states, territories, and the District of Columbia are not subject to the requirement of the Cash Management Improvement Act and Treasury’s implementing regulations at 31 CFR part 205 to remit interest to Treasury. CSFRF/CLFRF payments made by Treasury to local governments and Tribes are not subject to the requirement of 2 CFR 200.305(b)(8)–(9) to maintain balances in an interest-bearing account and remit payments to Treasury. (Source: Treasury FAQ 10.3 5/27/21)

Be careful that it is not a rainy day or other similar stabilization / reserve fund. Given current interest rates, also remember that the County can delay obligating funds until December 31, 2024 and not draw funds in advance (Source: Eide Bailly, 06/29/21).

5. ARE THERE RESTRICTIONS ON HOW THE INTEREST CAN BE USED?

As stated in the Department of the (see below), interest earned on ARPA funds are not subject to the requirements of the Interim Final Rule.

With respect to Federal financial assistance more generally, States are subject to the requirements of the Cash Management Improvement Act (CMIA), under which Federal funds are drawn upon only on an as needed basis and States are required to remit interest on unused balances to Treasury. Given the statutory requirement for Treasury to make payments to States within a certain period, these requirements of the CMIA and Treasury’s implementing regulations at 31 CFR part 205 will not apply to payments from the Fiscal Recovery Funds.

Providing funding in two tranches to the majority of States reflects, to the maximum extent permitted by section 602 of the Act, the general principles of Federal cash management and stewardship of federal funding, yet will be much less restrictive than the usual requirements to which States are subject (Treasury Interim Final Rule, Page 102,10/6/21).

With this in mind, we encourage you to spend these funds with caution and advise you to withhold from spending these funds for the purposes stated in the Department of the Treasury Interim Final Rule on page 78 (see below).

III. Restrictions on Use

As discussed above, recipients have considerable flexibility to use Fiscal Recovery Funds to address the diverse needs of their communities. To ensure that payments from the Fiscal Recovery Funds are used for these congressionally permitted purposes, the ARPA includes two provisions that further define the boundaries of the statute's eligible uses. Section 602(c)(2)(A) of the Act provides that States and territories may not "use the funds ... to either directly or indirectly offset a reduction in ... net tax revenue ... resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax ... or delays the imposition of any tax or tax increase." In addition, sections 602(c)(2)(B) and 603(c)(2) prohibit any recipient, including cities, nonentitlement units of government, and counties, from using Fiscal Recovery Funds for deposit into any pension fund. These restrictions support the use of funds for the congressionally permitted purposes described in Section II of this Supplementary Information by providing a backstop against the use of funds for purposes outside of the eligible use categories. (Treasury Interim Final Rule, Page 78,10/6/21).

6. CAN THE RECOVERY FUNDS BE USED TO PURCHASE A SMALL PIECE OF LAND TO BUILD AND DEVELOP A SOLID WASTE TRANSFER SITE? (WE ASSUME THAT COVID CONTAMINATED ITEMS END UP ONE WAY OR THE OTHER IN THESE DUMPSTER FACILITIES.)

Such capital assets would need to be an allowable cost in ARPA. At the present time, it appears the only way this can be funded is if revenue losses were generated and such a purchase would be pay as you go spending for building new infrastructure (see #3 above). (Source: Eide Bailly 7/6/21)

7. CAN WE PAY FOR AN UPGRADE TO SPILLMAN FOR OUR RECORDS MANAGEMENT? (THIS WILL HELP US TRACK ANY POSITIVE COVID19 CASES WE MAY HAVE.)

Answer: If the costs are related to COVID-19 response / mitigation, then FAQ 2.1 includes enhancement of public health data systems as an allowable cost. (Source: Eide Bailly 7/6/21)

8. CAN WE ADD ON TO THE JAIL, SO WE CAN HAVE A QUARANTINE AREA FOR NEW INMATES COMING INTO THE JAIL?

Answer: If the costs are related to COVID-19 response / mitigation, then FAQ 2.1 has allowable costs including support for prevention, mitigation, or other services in congregate living facilities (e.g., nursing homes, **incarceration settings**, homeless shelters, group living facilities) and other key settings like schools; ventilation improvements in congregate settings, health care settings, or other key locations; enhancement of public health data systems; and other public health responses. Capital investments in public facilities to meet pandemic operational needs are also eligible, such as physical plant improvements to public hospitals and health clinics **or adaptations to public buildings to implement COVID-19 mitigation tactics.** (Source: Eide Bailly 7/6/21)

9. CAN WE USE THE FUNDS TO EXPAND AND REMODEL OUR CURRENT JUDICIAL BUILDING? (EMPLOYEES AND CITIZENS ARE UNABLE TO SOCIAL DISTANCE IN OFFICES, PUBLIC COUNTERS, RESTROOMS AND HALLWAYS. WE ARE STILL UNDER ORDER OF THE IDAHO SUPREME COURT TO SOCIAL DISTANCE 6 FEET. WE HAVE TO BRING JURORS IN THE BUILDING IN WAVES DUE TO SEATING CAPACITY IN COURT ROOMS.)

Answer: Yes. If it's a government building where you need to expand for safety directly related to the pandemic (NACo, Understanding Eligible Use of the Fiscal Recovery Funds: Public Health Response webinar, 06/29). (See also previous questions on FAQ 2.1).

10a. CAN WE GIVE BONUSES USING THE PREMIUM PAY?

Answer: See FAQs 5.1 – 5.3 on premium pay. The workers would have to be declared essential and the premium pay would be limited to (at most) 150% of the greater of the state or county average annual wage, without specific justification on how the pay responds to the needs of the identified workers.

Essential workers are those in critical infrastructure sectors who regularly perform in- person work, interact with others at work, or physically handle items handled by others.

Critical infrastructure sectors include healthcare, education and childcare, transportation, sanitation, grocery and food production, and public health and safety, among others, as provided in the Interim Final Rule. Governments receiving Fiscal Recovery Funds have the discretion to add additional sectors to this list, so long as the sectors are considered critical to protect the health and well-being of residents. (Source: Eide Bailly 7/6)

10b. IF WE DO, DO THE EMPLOYEES FALL UNDER THE HATCH ACT MEANING THEY CANNOT RUN FOR POLITICAL OFFICE?

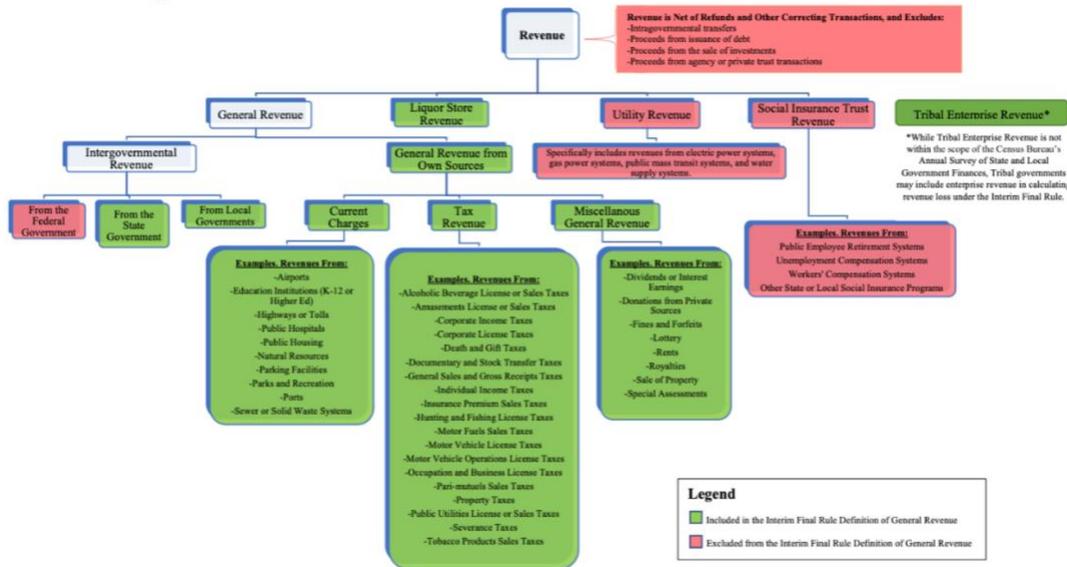
Answer: This appears to be a state-specific constraint – unable to answer.

11. WHEN CALCULATING REVENUE LOSS, THE GUIDANCE IS THAT FEDERAL TRANSFERS (CARES ACT FUNDS WERE EXAMPLE GIVEN) ARE TO BE EXCLUDED. DOES THIS INCLUDE PILT, SRS AND OTHER FEDERAL GRANTS (LHTAC, EMPG, HAVA ETC.)? WHAT ABOUT OTHER GRANTS IN GENERAL? THESE ARE VARIABLE BUT ALSO SIGNIFICANTLY IMPACT REVENUE.

Intergovernmental revenue from the Federal Government are to be excluded when calculating revenue loss. See figure below for more information regarding allowable sources of revenue and excluded sources of revenue (Source: U.S. Treasury FAQs, accessed 06/24)

AS OF JUNE 24, 2021

Appendix: Interim Final Rule Definition of General Revenue Within the Census Bureau Classification Structure of Revenue



Source: U.S. Bureau of the Census Government Finance and Employment Classification Manual, 2006; Annual Survey of State and Local Government Finances

12. IS REPORTING REQUIRED IF A SUBRECIPIENT RECEIVES LESS THAN \$50,000?

The Treasury Compliance and Reporting Guidance (page 18) provides detailed information regarding the reporting requirements for direct recipients and subrecipients. Subrecipients receiving greater than or equal to \$50,000 are required to provide detailed documentation to the direct recipient in the same manner as the direct recipient is required to report to Treasury. Direct recipients shall provide to detailed obligation and expenditure information for any contracts and grants awarded, loans issued, transfers made to other government entities, and direct payments made that are greater than or equal to \$50,000. Subrecipients who receive < \$50,000 are not required to provide routine reporting to the direct recipient. The direct recipient will still be required to report detailed information regarding the expense to Treasury (10/8/21)

13. WILL A SAMPLE GRANT APPLICATION AND GUIDANCE BE DEVELOPED TO ASSIST COUNTIES IN GETTING THE FUNDS TO APPROPRIATE BUSINESSES, ORGANIZATIONS AND/OR INDIVIDUALS?

IAC will be providing templates for recipients to use when distributing funds.

14. WILL USING THESE FUNDS FOR APPROVED EXPENDITURES WITH COUNTIES PROVIDING PROPER LEGAL PAPERWORK COMMIT THE COUNTY IN ANY WAY TO THE FEDERAL GOVERNMENT IN THE FUTURE?

IAC promotes county interests, encourages ethical behavior, advocates good public policy on behalf of Idaho counties, supports best practices, and provides education and training to assist Idaho county officials in performance of public service.

Answer: FAQ 9.3 discusses that “Most of the provisions of the Uniform Guidance (2 CFR Part 200) apply to this program, including the Cost Principles and Single Audit Act requirements.” Since the funds are mostly subject to the single audit, there will likely be some form of compliance testing required (if total expenditures from federal awards is \$750,000 or more) and potentially disallowed costs. (Source: Eide Bailly 7/6)

15. WHAT KIND OF INCOME RESTRICTIONS ARE THERE ON HOUSING ASSISTANCE? ARE THERE INCOME LIMITATIONS?

Answer: This likely falls under Emergency Rental Assistance (assumed) within CRRSAA and ARPA and the various other federal acts dating from March 2020. This is a separate funding stream from the Fiscal Recovery Funds and are under a different set of rules and regulations and have a separate set of FAQ. See ERA FAQs at <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program>. Specific definitions on income restrictions are included in the FAQs.

Also – if the funds are a response to the negative economic impacts to the pandemic, assistance to households are eligible under FAQ 2.5. Assistance to households includes, but is not limited to: food assistance; rent, mortgage, or utility assistance; counseling and legal aid to prevent eviction or homelessness; cash assistance; emergency assistance for burials, home repairs, weatherization, or other needs; internet access or digital literacy assistance; or job training to address negative economic or public health impacts experienced due to a worker’s occupation or level of training. Under the current FAQs, there doesn’t appear to be an income limit. However, if the housing is within a qualified census tract (QCT), the housing may be automatically eligible (see FAQ 2.11) (building strong neighborhoods and communities). (Source: Eide Bailly 7/6)

16. WHAT KIND OF REPORTING WILL WE NEED TO DO IF WE PARTNER WITH PASS-THROUGHS?

SLFRF recipients that are pass-through entities as defined under 2 CFR 200.1 are required to manage and monitor their subrecipients to ensure compliance with requirements to the SLFRF award pursuant to 2 CFR 200.332 regarding requirements for pass-through entities. More detail is provided in the Treasury Compliance and Reporting Guidance (page 9) (10/8/2021).

17. WHAT CAN REVENUE REPLACEMENT FUNDS BE USED FOR?

Government services including directly providing aid to citizens; pay as you go capital projects/maintenance; new infrastructure, roads, modernization of cybersecurity, health, K-12, police, fire, public safety.

18. WHAT ARE THE PROHIBITED USES OF THE REVENUE REPLACEMENT?

Funds cannot be used for **direct** pension contributions (exception: if employee grant eligible, employer's share of ongoing, normal contributions OK), tax reductions, debt service and/or "Rainy Day" / Stabilization funds. (source: Eide Bailly webinar 6/28, based on IFR pp. 53-54)

19. WHAT DO YOU RECOMMEND REGARDING CITIZEN ENGAGEMENT ABOUT HOW RECOVERY FUNDS ARE USED?

Answer: Many governments are asking constituents how they would like money to be spent. Example: Alexandria, Virginia has posted an online form, has been holding listening sessions and created a hotline for suggestions, among other modes of outreach.¹ Other cities and governments are doing similar. This is something Eide Bailly can help you research and implement. (Source: Eide Bailly 7/6)

20. WHEN CALCULATING USING THE QUALIFIED CENSUS TRACT, SHOULD THE 2010 CENSUS BE USED, OR THE 2020 CENSUS?

Answer: This is unclear at this time.

21. WHAT PORTION OF MONEY CAN BE USED FOR HEALTH DISTRICTS?

Answer: If the funds are from states or counties, as long as the use is related to COVID-19, it is up to the state or county to decide how to apportion. FAQ 1.3 states that "Special-purpose units of local government will not receive funding allocations; however, a state, territory, local, or Tribal government may transfer funds to a special-purpose unit of government. Special-purpose districts perform specific functions in the community, such as fire, water, sewer or mosquito abatement districts." It is possible the health district received its own funding through various HHS programs created by ARPA. (Source: Eide Bailly 7/6)

22. CAN THE FUNDS BE USED FOR WATER OR WASTE TREATMENT FACILITIES OR CAN IT ONLY BE USED FOR SERVICES?

See response to question #23

23. CAN WE EXPAND EXISTING TREATMENT FACILITIES USING THE RECOVERY FUNDS?

Answer: FAQ 6.1 contains broad latitude on eligible uses if the use would be eligible under the US EPAs clean water or drinking water state revolving fund programs.

¹ <https://www.route-fifty.com/finance/2021/05/local-governments-look-resident-input-guide-how-federal-aid-spent/174330/>

The Interim Final Rule generally aligns eligible uses of the Funds with the wide range of types or categories of projects that would be eligible to receive financial assistance through the Environmental Protection Agency's Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF).

Under the DWSRF, categories of eligible projects include: treatment, transmission and distribution (including lead service line replacement), source rehabilitation and decontamination, storage, consolidation, and new systems development.

Under the CWSRF, categories of eligible projects include: construction of publicly- owned treatment works, nonpoint source pollution management, national estuary program projects, decentralized wastewater treatment systems, stormwater systems, water conservation, efficiency, and reuse measures, watershed pilot projects, energy efficiency measures for publicly-owned treatment works, water reuse projects, security measures at publicly-owned treatment works, and technical assistance to ensure compliance with the Clean Water Act.

As mentioned in the Interim Final Rule, eligible projects under the DWSRF and CWSRF support efforts to address climate change, as well as to meet cybersecurity needs to protect water and sewer infrastructure. Given the lifelong impacts of lead exposure for children, and the widespread nature of lead service lines, Treasury also encourages recipients to consider projects to replace lead service lines. (Source: Eide Bailly 7/6)

24. CAN WE MIX AND MATCH FUNDS IF PARTS OF A PROJECT COULD JUSTIFY USING ARPA DOLLARS? FOR EXAMPLE A COMMUNITY CENTER WITH MENTAL HEALTH SUPPORT COMPONENTS?

Answer: Government should take a holistic approach reviewing all federal grants including ARPA funds to determine if this would be an allowable cost. As always, it is recommended that precise records be maintained identifying the exact costs covered by ARPA and the exact costs covered by other funding sources. The County should be able to identify how the costs covered by ARPA were part of the County's response to the public health emergency. The County also needs to have sufficient records to demonstrate there was no "double dipping" (i.e. covering the same cost with multiple sources of funding). (Source: Eide Bailly 7/6)

25. CAN RECOVERY FUNDS BE USED FOR NON-FEDERAL MATCHING REQUIREMENTS SUCH AS FEMA DISASTER ASSISTANCE OR MEDICAID?

No. Recovery Funds are subject to pre-existing limitations in other federal statutes and regulations and may not be used as non-federal match for other federal programs whose statute or regulations bar the use of federal funds to meet matching requirements.

26. IS THERE A LIMITATION ON USING THE FUNDS FOR PROPERTY TAX RELIEF AT THE COUNTY LEVEL?

Answer: FAQ 9.4 reminds recipients that ARPA establishes four categories of eligible uses and further restrictions on the use of funds to ensure that Fiscal Recovery Funds are used within the four eligible use categories. **The Interim Final Rule implements these restrictions, including the scope of the eligible use categories and further restrictions on tax cuts and deposits into pensions. Please note that certain governments are considering challenging these provisions through lawsuits.** (Source: Eide Bailly 7/6)

27. IS THERE A DATE SPECIFIC TO REQUEST FUNDS?

No, there is no deadline for counties to certify for the Recovery Fund aside from December 31, 2024 deadline for funds to be allocated. Counties are encouraged to apply as soon as possible. (source: NACo FAQs, date accessed 6/24). Funds must be spent by December 31, 2026.

28. WHEN CAN WE EXPECT MORE INFORMATION ON THE WYDEN MONEY?

No exact timeline is set. Treasury is starting to work with NACo on it now. Hopefully by early 2022.

29. COULD WE UPDATE I.T. SERVERS OR STRUCTURES FOR GENERATORS FOR ELECTIONS PURPOSES USING RECOVERY FUNDS?

Revenue Loss – The Interim Final Rule gives recipients *broad latitude to use funds for the provision of government services to the extent of reduction in revenue*. The calculation of lost revenue begins with the recipient’s revenue in the last full fiscal year prior to the COVID-19 public health emergency and includes the 12-month period ending December 31, 2020. However, use of funds for government services must be forward looking for costs incurred by the recipient after March 3, 2021. (U.S. Treasury FAQs 4.7) (Date Accessed: 10/07/21).

30. WE’RE IN A SEVERE FLOOD PLAIN. COULD REMEDIES FOR THAT FIT WITHIN THE FRAMEWORK OF SEWER AND WATER?

See answer to question 23 – as long as the project is eligible under US EPAs CWSRF or DWSRF, the project may be an eligible cost. (Source: Eide Bailly 7/6/21)

31. CAN WE USE THE FUNDS TO GO TOWARDS UPDATING RADIO CONSOLES THAT ARE NOT COMPATIBLE WITH THE MOST UPDATED COMPUTER SYSTEMS THUS POSING A SIGNIFICANT THREAT TO OUR CYBER NETWORK?

Answer: FAQ 3.8 includes an allowable use of modernization of cybersecurity, including hardware, software and protection of critical infrastructure as an allowable use if a reduction in revenue is calculated. Otherwise, there needs to be a relationship to the four broad categories of allowable costs in ARPA. (Source: Eide Bailly 07/06/21)

32. FOR BROADBAND INFRASTRUCTURE TO PROVIDE SERVICE TO "UNSERVED OR UNDERSERVED HOUSEHOLDS OR BUSINESSES," MUST EVERY HOUSE OR BUSINESS IN THE SERVICE AREA BE UNSERVED OR UNDERSERVED?

No. It suffices that an objective of the project is to provide service to unserved or underserved households or businesses. Doing so may involve a holistic. Approach that provides service to a wider area in order to make the ongoing service of unserved or underserved households or businesses within the service area economical. Unserved or underserved households or businesses need not be the ONLY households or businesses in the service area receiving funds. (Source: Treasury FAQ's 6.9 6/17/21)

33. CAN COUNTIES USE RECOVERY FUNDS TO COVER ADMINISTRATIVE COSTS?

Yes. Counties can use Recovery Funds to cover the portion of employee payroll and benefit costs corresponding to time spent on administrative work due to COVID-19 and its economic impacts (see FAQ 10.2). Eligible uses include, but are not limited to, costs related to distributing Recovery Funds and managing new grant programs established with the funds. (Source, NACo 07/06/21)

34. IN ORDER TO RECEIVE AND USE FISCAL RECOVERY FUNDS, MUST A RECIPIENT GOVERNMENT MAINTAIN A DECLARATION OF EMERGENCY RELATING TO COVID-19?

No. Neither the statute establishing the CSFRF/CLFRF nor the Interim Final Rule requires recipients to maintain a local declaration of emergency relating to COVID-19. (U.S. Treasury SLFRP FAQ 1.7 6/23/21)

35. DOES IDAHO LAW ALLOW COUNTIES TO SUBGRANT RECOVERY FUNDS TO NON-PROFITS?

Answer: This is state specific.

36. WOULD UPGRADING AN HVAC SYSTEM IN A COURTHOUSE BE CONSIDERED AN ALLOWABLE USE?

These would have to fall under *a public health issue* unless a revenue loss is calculated, in which case, spending for *new* infrastructure is an allowable use (FAQ 3.8). (Source: Eide Bailly 07/06/21)

37. WOULD THE COST OF AUDITING THE HVAC SYSTEM IN THE COURTHOUSE BE ALLOWABLE?

These would have to fall under *a public health issue* unless a revenue loss is calculated, in which case, spending for *new* infrastructure is an allowable use (FAQ 3.8). (Source: Eide Bailly 07/06/21)

38. IS BROADBAND FIBER BETWEEN COUNTY FACILITIES AN ALLOWABLE USE?

Answer: FAQs 4.6 (d) and 4.7 has an allowable use of broadband infrastructure that are *necessary*. FAQ 6.5 also states “The Interim Final Rule requires eligible projects to reliably deliver minimum speeds of 100 Mbps download and 100 Mbps upload. In cases where it is impracticable due to geography, topography, or financial cost to meet those standards, projects must reliably deliver at least 100 Mbps download speed, at least 20 Mbps upload speed, and be scalable to a minimum of 100 Mbps download speed and 100 Mbps upload speed.

Projects *must also be designed to serve unserved or underserved households and businesses*, defined as those that are not currently served by a wireline connection that reliably delivers at least 25 Mbps download speed and 3 Mbps of upload speed.”

A project between government buildings may not be eligible unless it aligns to FAQ 3.8 after a calculation of a revenue loss. (Source: Eide Bailly 07/06/21)

39. WOULD MOVING DATA TO THE CLOUD, FOR EXAMPLE NEW FINANCIAL SOFTWARE THAT IS CLOUD BASED BE AN ALLOWABLE USE OF RECOVERY FUNDS FOR COUNTIES?

FAQ 3.8 indicates “The Interim Final Rule gives recipients broad latitude to use funds for the provision of government services *to the extent of reduction in revenue*. Government services can include, but are not limited to, maintenance of infrastructure or pay-go spending for building new infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services.” (U.S. Treasury FAQs) (Date Accessed: 07/06/2021)

40. IS HIRING AN ADMINISTRATOR FOR THE ARPA FUNDS OR PAYING PART OF THE SALARY OF A CURRENT COUNTY EMPLOYEE ALLOWABLE USES?

Recipients may use funds to cover the portion of payroll and benefits of employees corresponding to time spent on administrative work necessary due to the COVID–19 public health emergency and its

negative economic impacts. This includes, but is not limited to, costs related to disbursing payments of Fiscal Recovery Funds and managing new grant programs established using Fiscal Recovery Funds. (U.S. Treasury SLFRP FAQ 10.2 6/24/21)

41. CAN RECOVERY FUNDS BE USED TO ADDRESS COURT CASE BACKLOGS?

Yes. The Interim Final Rule recognizes that “decrease[s to] a state or local government’s ability to effectively administer services,” such as cuts to public sector staffing levels, can constitute a negative economic impact of the pandemic. During the COVID-19 public health emergency, many courts were unable to operate safely during the pandemic and, as a result, now face significant backlogs. Court backlogs resulting from inability of courts to safely operate during the COVID-19 pandemic decreased the government’s ability to administer services. Therefore, steps to reduce these backlogs, such as implementing COVID-19 safety measures to facilitate court operations, hiring additional court staff or attorneys to increase speed of case resolution, and other expenses to expedite case resolution are eligible uses. (U.S. Treasury SLFRP FAQ, 2.19 6/24/21)

42. CAN RECOVERY FUNDS BE USED TO PAY FOR COUNTY EMPLOYEE SICK LEAVE RELATED TO COVID19?

Generally, funding uses eligible under CRF as a response to the direct public health impacts of COVID-19 will continue to be eligible under CSFRF/CLFRF, with the following two exceptions: (1) the standard for eligibility of public health and safety payrolls has been updated; and (2) expenses related to the issuance of tax-anticipation notes are not an eligible funding use.

Non-Inclusive CRF Eligible Use:

- Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID–19 public health precautions was listed as an allowable use under CRF (See page 4184, [Federal Register / Vol. 86, No. 10](#) / Friday, January 15, 2021 / Notices)



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