

# ARPA Final Rule

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# TREASURY FINAL RULE

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**Thursday, January 6, 2022**

**437 Pages - Comments + Rule**

**44 Page Overview**

## **OVERALL**

**Expanded flexibilities**

**More user friendly**



# SCOPE OF TODAY'S TRAINING

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Changes to Two (2) Eligible Use Categories

## SPOILER ALERT

Most cities/towns will be using *Lost Revenue*  
&

Change to *Premium Pay*

# BIG CAVEAT

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Still Working Through all 437 pages

***PLEASE BE PATIENT***

# TIME FRAME FOR RULES

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Status of Interim Rule: Effective until April 1, 2022

**However:** some things in the final rule apply now

Can elect to go under the new rule now – *most will start using it now.*

# STANDARD ALLOWANCE FOR LOST REVENUE

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\$10,000,000

This is GREAT for Arkansas!

# STANDARD ALLOWANCE FOR LOST REVENUE

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## Two Options. Pick One & Stick With It

1. Actual Lost Revenue

If lost revenue is larger than \$10 million.

Only 10 cities with over \$10 million in Rescue Plan \$\$\$

*\* Must perform the calculations yearly*

2. Standard Allowance

All \$10 million *or* the amount in Rescue Plan \$\$\$, if less

# STILL . . . REMEMBER THE RULES

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*Still* . . . Leave this in the grant fund

*Still* . . . DO NOT transfer it to General Revenue

*Still* . . . Keeps the characteristics of federal grant

*Still* . . . DO NOT co-mingle \$\$\$ with City/Town funds

*Still* . . . Use federal procurement rules

*Still* . . . Use proper clauses to advertise bids

*Still* . . . Use proper clauses in Purchase Orders

*Still* . . . Use proper clauses in Contracts



# MATCH/COST SHARE

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- **LOST REVENUE/GOV SERVICE Generally may be used**
  - **Fed. agency is required to accept such, unless the fed. agency has received a waiver**
    - **Be sure the federal agency or the pass through agency approves**
- **Cannot be used for Medicaid and CHIP programs**
- **If not paid from Public Sector Revenue Use Category - The statute creating the grant has to specifically permit it. (S3011 had a list of them – probably no longer needed for Arkansas)**
- **Infrastructure Investments – may be used for Bureau of Reclamation projects**

# MATCH/COST SHARE

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- **LOST REVENUE/GOV SERVICE** Generally may be used
- **ARML has contacted ArDOT, AEDC, ARND, etc. + will continue outreach**
  - **If project has already started, important to look at the date of the award (after March 11, 2022)**
  - **Specific question, email Caran or set up a time to discuss**
  - **Other Considerations, for Example**

# MATCH/COST SHARE

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**Question? Should you use the Public Sector Revenue as match for a:  
Federal Transportation Alternation Program (TAP) GRANT through ArDOT or  
a Regional MPO?**

- **Good candidate to use the Public Sector Revenue for this one**
  - Check the date of the award and when you started spending the funding?**
    - **Recuse Funds are only available for expenses after March 11, 2021**  
**Because this required certain federal terms and condition in the advertisement, bid specs, Purchase Orders, and contracts, etc. Time frame permitting, good candidate**

# **MATCH/COST SHARE**

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**Question? Should you use the Public Sector Revenue as match for an:  
Outdoor Recreation Grant from Ark State Parks? (non-federal)**

- 1. Check dates**
- 2. Probably NOT a good idea. Remember, the Public Sector Revenue is still federal funds and so all of the federal procurement and contract rules apply. It can be done, but... project a lot easier without using it**

# PREMIUM PAY CHANGES TO OVERTIME

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We're still working through the details.

But . . .

If you paid out the hourly Premium Pay for OT hours, there may be changes to know about.

Call Caran.



# **PREMIUM PAY (*SLIGHT*) CHANGES TO WHO IS ENTITLED**

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## **Treasury Prioritizes:**

- 1. Below the wage threshold employees, and**
- 2. Overtime entitled employees.**

# PREMIUM PAY (*SLIGHT*) CHANGES TO WHO IS ENTITLED

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150% Threshold (Still) Requires Justification

But . . . Treasury spelled this out more

1. Description of the essential duties, health or financial risks faced due to COVID AND why the pay was responsive despite the worker's higher income. (FRC p. 230)
2. Refer to Treasury guidance, user guides for form and content
3. No PPI – personally identifiable info
4. In Ark, many positions (Chiefs) are front line workers too, “in the trenches”
5. Report – due on April 30

*We've asked Treasury to clarify if the report is the only way to provide the justification*

# Which workers do you need to provide a justification to Treasury?

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Police Chief (exempt from OT) making \$35.5K?

No, below 150% threshold.

Non-Exempt FLSA (non-exempt from OT) making \$70K?

No, entitled to OT.

Fire Chief (exempt from OT) making \$70,000?

No, about 150% threshold and not entitled to OT.



# PREMIUM PAY (*MAJOR*) CHANGES TO WHO IS ENTITLED

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**“Volunteers” are NOT entitled to Premium Pay.**

We interpret this to mean volunteer firefighters are NOT entitled to Premium Pay.

# PREMIUM PAY (*MAJOR*) CHANGES TO WHO IS ENTITLED

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**Some “Elected Officials” are NOT entitled to Premium Pay.**

“This policy also prohibits, among other things, elected officials from steering funds to projects in which they have a financial interest or using funds to pay themselves premium pay.”

**Mayors & City Councilmembers – For Sure**  
**Clerks, Treasurers, etc... – Maybe Not**

# NEED A CONFLICT OF INTEREST POLICY

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**Call Caran**

# HOW TO ADDRESS CONFLICT OF INTEREST ISSUE?

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**Call Caran**

# ANOTHER INELIGIBLE USE

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**Can't use the funds to undermine/contravene efforts to stop COVID (Ex. no-anti vaccine advertisements, cannot buy ivermectin etc.)**

# Upcoming AML Trainings

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➤ **Wed. Jan. 26 at 2 PM Federal Compliance Audits the Basics**

➤ **Wed. Feb. 9 Non-Metro's (NEU) Logging Into the Treasury Portal**





# Questions & Comments

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Thank You For All You Do.

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