DEPARTMENT OF FINANCE AND ADMINISTRATION

OFFICE OF ACCOUNTING

NON-ENTITLEMENT (NON-METRO) CITIES AND TOWNS

FREQUENTLY ASKED QUESTIONS (FAQ’s)

1. Question – What are the requirements for receiving the money? (US TREASURY FAQ 11.4)

*DFA’s Answer – Submission of the four (4) required documents:*

* Information Form
* Budget Information Form
* NEU\_Award\_Terms\_and\_Conditions
	+ [*Non-entitlement Unit Award Terms and Conditions (From U.S. Treasury.gov)*](https://home.treasury.gov/system/files/136/NEU_Award_Terms_and_Conditions.pdf)
* Title\_VI\_Assurances
	+ [*Assurances of Compliance with Civil Rights Requirements (From U.S. Treasury.gov)*](https://home.treasury.gov/system/files/136/Title_VI_Assurances.pdf)
1. Question – What year’s budget should be submitted? (US TREASURY FAQ 7.3 & INTERIM REPORT § 35.12(b))

*DFA’s Answer – 2020 budget if an adopted budget existed on January 27, 2020* ***OR*** *2019 total expenditures. 2019 Total expenditures are to be reported. These expenditures are final. Expenditures are defined most recent annual expenditures before January 27, 2020- i.e. 2019.*

* *Adopted budget can be supported by approved minutes,* ***signed*** *resolution, or* ***signed*** *ordinance.*
* *Expenditures are defined most recent annual expenditures*
1. Question – What if the city was not incorporated in 2020?

*DFA’s Answer – Contact DFA – Office of Accounting at 501-682-1675. Additional information is needed to answer this question.*

1. Question – What departments should be included in my budget response? (US TREASURY INTERIM REPORT § 35.12(b))

*Answer – The U.S. Treasury’s Interim Report “The most recent budget is defined as the NEU’s most recent annual total operating budget, including its general fund and other funds, as of January 27, 2020.”*

 *DFA’s answer to provides additional guidance:*

* *City/Town’s budget includes all departments in which the City/Town Council must review and approve an operating budget*
1. Question – Should the Utility Department be included? (US TREASURY INTERIM REPORT § 35.12(b))

*DFA’s Answer – City’s budget will include a Utility Department budget amount* **only****if** *the City Council must review and approve the utility’s operating budget.*

1. Question - Why are we being asked to submit budgets? (US TREASURY FAQ 7.3 & INTERIM REPORT § 35.12(b))

Answer - *The U.S. Treasury’s Interim Report determined states are responsible for distribution to nonentitlement units and distribution are based upon budget caps.*

 *“§ 35.12 Distributions to nonentitlement units of local government and units of general local government.*

***(a) Nonentitlement units of local government.*** *Each State or Territory that receives a payment from Treasury pursuant to section 603(b)(2)(B) of the Social Security Act shall distribute the amount of the payment to nonentitlement units of government in such State or Territory in accordance with the requirements set forth in section 603(b)(2)(C) of the Social Security Act and without offsetting any debt owed by such nonentitlement units of local governments against such payments.*

***(b) Budget cap****. A State or Territory may not make a payment to a nonentitlement unit of local government pursuant to section 603(b)(2)(C) of the Social Security Act and paragraph(a) of this section in excess of the amount equal to 75 percent of the most recent budget for the nonentitlement unit of local government as of January 27, 2020. A State or Territory shall permit a nonentitlement unit of local government without a formal budget as of January 27, 2020, to provide a certification from an authorized officer of the nonentitlement unit of local government of its most recent annual expenditures as of January 27, 2020, and a State or Territory may rely on such certification for purposes of complying with this paragraph (b). determines the State to be responsible for the distribution on Non-entitlement cities Local Fiscal Recovery funds.”*

1. Question – If our department budgets are broken down in much more detail, what should we list on the Budget Information Form?

*DFA’s A*nswer *– Provide the total budget for each department to calculate the annual total operating budget.*

1. Question – If we must use 2019 actual expense information, do we send our budget, expenditures, or revenue? (INTERIM REPORT § 35.12(b))

*DFA’s Answer – 2019 Total* ***expenditures*** *final are to be reported. These expenditures are final. Expenditures are defined most recent annual expenditures as of January 27, 2020.*

1. Question – If one or more of our departments have their own council, should it be included? (US TREASURY INTERIM REPORT § 35.12(b))

*DFA’s Answer –If the department is considered part of city operations and part of the Entity, the budget amounts should be included.*

1. Question – If the city/town did not have a revenue loss or incur any losses due to COVID-19, do we still need to send the required information? We do not know if we can use the funding.

*DFA’s Answer – ARPA funds can be used for more items than the previous CARES CRF funds allocated to cities, towns, and counties. Please review the eligible uses of funding prior to making this decision. If the answer is still that the city or town does not need the funds, please complete the “Decline of Funds” form and return to DFA by June 4, 2021.*

1. Question – What are eligible uses of this funding? (US TREASURY FACT SHEET)

*Answer – Please see:* [*SLFRP-Fact-Sheet-FINAL1-508A.pdf (treasury.gov)*](https://home.treasury.gov/system/files/136/SLFRP-Fact-Sheet-FINAL1-508A.pdf) *This document was also attached to an email sent out by DFA. Additional guidance is found on the website.*

*U.S. Treasury Guidance*

*USES OF FUNDING Coronavirus State and Local Fiscal Recovery Funds provide eligible state, local, territorial, and Tribal governments with a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers. Within the categories of eligible uses, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities. Recipients may use Coronavirus State and Local Fiscal Recovery Funds to:*

*• Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;*

 *• Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;*

 *• 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;*

*• 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,*

*• 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.*

The U.S. Treasury has provided guidance to State and Local Governments regarding these funds. Please review the material available and continue to monitor their website for updates and additional clarifications. [Assistance for State, Local, and Tribal Governments | U.S. Department of the Treasury](https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments)