

DEPARTMENT OF THE TREASURY**ASSISTANCE LISTING 21.011 COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS CAPITAL MAGNET FUND****I. PROGRAM OBJECTIVES**

The Capital Magnet Fund (CMF) is administered by the Community Development Financial Institutions Fund (CDFI Fund). Through the CMF, the CDFI Fund provides financial assistance (FA) grants to Community Development Financial Institutions (CDFIs) and to qualified Nonprofit Organizations that have the development or management of affordable housing as one of their principal purposes. Capital Magnet Fund Applicants must be (1) a certified CDFI; or (2) a non-profit organization operating with a principal purpose of developing or managing affordable housing solutions

II. PROGRAM PROCEDURES**A. Overview**

CMF is a competitive grant program established to “attract private capital for and increase investment in (1) the development, preservation, rehabilitation, or purchase of affordable housing for primarily extremely low-, very low-, and low-income families; and (2) economic development activities, or community service facilities, such as day care centers, workforce development centers, and health care clinics, which in conjunction with affordable housing activities implement a concerted strategy to stabilize or revitalize a low-income area or underserved rural area.”

B. Subprograms/Program Elements

CMF provides Awards through a competitive application, evaluation, and selection process. After selection, each CMF Award Recipient enters into an Assistance Agreement, which includes Performance Goals and other Terms and Conditions.

Source of Governing Requirements

CMF was established through the Housing and Economic Recovery Act of 2008 Pub. L. No 110-289 (July 30, 2008) codified at 12 CFR Part 1807.

Availability of Other Program Information

Additional information on the CMF is available on the CDFI Fund website at <https://www.cdfifund.gov/programs-training/programs/cmf>. A template of the assistance agreement is available on the CDFI Fund website at: <https://www.cdfifund.gov/programs-training/programs/cmf/closing-disbursement-step>. If there are specific questions regarding the programs, the CDFI Fund may be contacted via telephone at (202) 653-0421 or by e-mail at cdfihelp@cfdi.treas.gov.

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program and the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an “N.” See Part 1, “Safe Harbor Status” for additional information.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or	Allowable Costs/Cost	Cash Manageme	Eligibility	Equipment and	Matching, Level of	Period Of	Procurement and	Program Income	Reporting	Subrecipien	Special Tests and
Y	N	N	Y	N	N	Y	N	Y	Y	N	N

A. Activities Allowed or Unallowed

1. Activities Allowed

- a. Section 3.2 of the terms and conditions in the assistance agreement prescribes the specific authorized activities for CMF award Recipients. A link to the Assistance Agreement can be found under the Availability of Other Program Information section. (12 CFR sections 1807.300 and 1807.301).

E. Eligibility

1. Eligibility for Individuals

Not Applicable

2. Eligibility for Group of Individuals or Area of Service Delivery

The CMF assistance agreement identifies a Service Area, or the geographic area approved by the CDFI Fund, in which the Recipient must use the CMF Award. The states listed in the geographic areas table in Schedule 1 of the assistance agreement comprise the allowable geographic areas for the location of Affordable

Housing and/or Community Service Facilities/physical structures resulting from the Recipient's Affordable Housing Activities and/or Economic Development Activities. Recipient shall use no less than 85% of its CMF Award to finance and/or support Affordable Housing Activities and/or Economic Development Activities resulting in Affordable Housing and/or Community Service Facilities/physical structures, financed and/or supported with the CMF Award, that are located in its Service Area.

3. Eligibility for Subrecipients

The Recipient shall not distribute the CMF Award to any Affiliate or Subsidiary, or distribute the CMF Award in any manner that would create a Subrecipient relationship (as defined in the Uniform Administrative Requirements), without the CDFI Fund's prior written consent.

H. Period of Performance

The CMF Period of Performance begins with the Announcement Date and continues until the end of the Affordability Period of the last Project funded by the Recipient under the CMF assistance agreement, when all the conditions in Section 9.11 of the CMF assistance agreement have been met, or such other time established by the CDFI Fund in writing.

The Period of Performance consists of an Investment Period and an Affordability Period. The Investment Period begins with the Effective Date in the assistance agreement and ends no earlier than the fifth year anniversary of the Effective Date, or such other period as may be established in writing by the CDFI Fund. The authoritative requirement for the period of performance is codified in 12 CFR 1807.902.

The following is critical information:

1. **Commitment Date(s):** The Recipient shall have committed for use all of its CMF Award by no later than the applicable date(s) set forth in Schedule 1 of the assistance agreement.
2. **Initial Disbursement Date:** Three (3) years after the Effective Date of the assistance agreement, the Recipient shall make an initial disbursement of its CMF Award to at least one Affordable Housing or Economic Development Activity Project.
3. **Project Completion Date:** Five (5) years after the Effective Date of the assistance agreement, unless otherwise determined in writing by the CDFI Fund, the Recipient shall achieve Project Completion with respect to all Projects financed/supported by its entire CMF Award.

J. Program Income

Program Income authorized uses, restrictions and requirements for reinvestment are described under Sections 3.8 and 3.9 of the assistance agreement. The CMF program income follows the addition method for program income. Principal and equity repayments of the CMF Award earned during the Investment Period must be reinvested by the Recipient. Program Income generated from earned interest on the CMF Award must be used by the Recipient solely to further the objectives of its mission. Program Income that is returned and made available to the Recipient due to CMF Award becoming unrestricted from Loan Loss Reserves or Loan Guarantees shall be deemed to be Program Income earned in the form of principal and equity repayments of the CMF Award.

Program Income requirements and/or timeframes differ between award years. Starting with the 2017 award year, Schedule 1 of the assistance agreement indicates Section 3.8(a) or (b) as applicable. Generally, however, if the Recipient ends a fiscal year with a principal and equity repayment Program Income balance of \$100,000 or greater, requirements to reinvest Program Income are triggered.

The following is critical information:

1. The Recipient must have committed any amount in excess of the \$100,000 threshold within 12 months of the end of the Recipient's fiscal year in which the \$100,000 balance was achieved; and
2. The Recipient must have completed any projects supported with Program Income within 36 months from the time the Program Income was omitted to the Project.

L. Reporting

1. Financial Reporting

- a. *SF-270, Request for Advance or Reimbursement* – Not Applicable
- b. *SF-271, Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable
- c. *SF-425, Federal Financial Report* – Not Applicable

2. Performance Reporting

Performance Progress Report (PPR) (OMB Control Number 1559-0036) – The Recipient must submit a Performance Progress Report (PPR) in the Awards Management Information System (AMIS) database once a year, three (3) months after the Recipient's Period of Performance End Date. The PPR is used to report on the Recipient's use of the CMF Award towards meeting its Performance Goals, affordable housing outcomes, and the Recipient's overall performance. The CMF performance report covers: the Investment Period for the CMF Award

and the Affordability Period for each Project. Please review Schedule 1-C in the Assistance Agreement for information regarding the due dates for the report. . The authoritative requirement for submission of the PPR is codified in 12 CFR 1807.902.

Recipients may request to revise a previously submitted report without it having an impact on their compliance status. The request should indicate the reason(s) for the revision(s) and the proposed changes. Revision requests should be submitted in a service request through the Recipients AMIS account. Once the PPR has been unlocked for revisions the Recipient has five (5) business days to make any necessary corrections and resubmit the report. Auditors can review the “Approval History” at the bottom of the PPR in AMIS to determine the report approval status. The auditor will review the most recent version of the report in the AMIS.

Key Line Items - The following line items contain critical information:

1. *Total Amount Committed to Date* - Recipients must commit the entirety of the CMF Award by the stated Commitment Deadline as stipulated under Section 3 of the assistance agreement.

3. Special Reporting

Not Applicable

4. Special Reporting for Federal Funding Accountability and Transparency Act

See Part 3.L for audit guidance.

DEPARTMENT OF THE TREASURY**ASSISTANCE LISTING 21.012 NATIVE INITIATIVES PROGRAM****I. PROGRAM OBJECTIVES**

The purpose of the Native Initiatives Program also referred to as the Native American Community Development Financial Institutions Program (NACA Program) is to promote economic revitalization and community development through financial and technical assistance to Native Community Development Financial Institutions (CDFIs)..

II. PROGRAM PROCEDURES**A. Overview**

The NACA Program is administered by the Community Development Financial Institutions Fund (CDFI Fund), Department of the Treasury. Through the NACA Program, the CDFI Fund provides two types of monetary awards to CDFIs—financial assistance (FA) awards and technical assistance (TA) awards. In order to be eligible to apply for assistance, entities must meet, or propose to meet, specific CDFI eligibility criteria (12 CFR sections 1805.200 and 1805.201). CDFIs include entities such as banks, credit unions, depository institution holding companies, loan funds, and venture capital funds, among others.

An organization must be a Certified CDFI as of the date of the Notice of Funds Availability (NOFA). At least 50% of the organization's activities must serve Native Americans, Alaska Natives, and/or Native Hawaiian communities in order to be eligible to apply for a FA award through the NACA Program. Organizations that are Emerging CDFIs or Sponsoring Entities may only apply for a TA award through the NACA Program and are not required to be certified as a CDFI to be eligible for a TA award.

Through the Native American CDFI Assistance Program (NACA Program), FA awards are made to Native CDFIs. These competitive awards are made in the form of loans, grants, equity investments, deposits, and credit union shares. By multiplying the impact of federal investment, Native CDFIs are able to pursue a variety of goals, from small business creation to affordable housing development, as well as other community development pursuits. Healthy Food Financing Initiative – FA awards are also offered for Native CDFIs that are interested in expanding their healthy food financing activities.

The NACA Program also provides TA awards to Native CDFIs, Emerging Native CDFIs, and Sponsoring Entities. These competitive awards are made in the form of grants.

Recipients may use TA awards to increase their capacity to serve their communities and/or to create, or become Certified CDFIs.

B. Subprograms/Program Elements

The CDFI Fund provides FA and TA awards through the NACA Program to help certified and emerging Native CDFIs sustain and expand their services, and build their technical capacity. FA and TA awards are provided through an annual competitive nationwide evaluation and selection process as referenced in the NOFA. The latest version of the NACA Program NOFA can be found on the CDFI Fund website at: <https://www.cdfifund.gov/programs-training/programs/native-initiatives/apply-step>.

After selection, each NACA Program award Recipient enters into an assistance agreement, which includes Performance Goals and Measures (PG&Ms) and other terms and conditions. A template of the assistance agreement can be found on the CDFI Fund website at https://www.cdfifund.gov/sites/cdfi/files/2022-01/FY2021_CDFIPProgram_NACAProgram_FA_Assistance_Agreement_Template.pdf

Source of Governing Requirements

The NACA Program is authorized by the Community Development Banking and Financial Institutions Act of 1994 (Section 101 of Pub. L. No. 103-325, 108 Stat 2164, September 23, 1994.). The NACA Program implementing regulations are codified at 12 CFR Part 1805.

Note: All capitalized terms used herein but not defined have such definitions as specified in the [CDFI Program's Interim Rule](#), NOFA, or applicable assistance agreement.

Availability of Other Program Information

Additional information on the NACA Program is available on the CDFI Fund website at <https://www.cdfifund.gov/programs-training/programs/native-initiatives/compliance-step>. A template of the Assistance Agreement is available on the CDFI Fund website at https://www.cdfifund.gov/sites/cdfi/files/2022-01/FY2021_CDFIPProgram_NACAProgram_FA_Assistance_Agreement_Template.pdf. If there are specific questions regarding the programs, the CDFI Fund may be contacted via telephone at (202) 653-0421 or by e-mail at cdfihelp@cdfi.treas.gov.

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program

supplement (which includes any program-specific requirements) to perform the audit. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an “N.” See the Safe Harbor Status discussion in Part 1 for additional information.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment and Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement and Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	N	N	N	N	N	N	Y	N	N

A. Activities Allowed or Unallowed

Section 3.7 of the terms and conditions in the assistance agreement prescribes the specific authorized activities of FA awards for each NACA Program award Recipient (12 CFR sections 1805.300 and 1805.301).

1. Activities Allowed

- a. Financial Assistance- The Recipient must use the Financial Assistance (including Base-FA, HFFI-FA, DF-FA, and PPCFA) to support its activities in the following areas:
 - (1) Financial Products (provided, however, HFFI-FA may not be used to fund loan purchases, loan refinancing, or any type of financing for prepared food outlets).
 - (2) Financial Services (Regulated Institutions only; HFFI-FA may not be used to provide Financial Services).
 - (3) Development Services.
 - (4) Loan Loss Reserves.
 - (5) Capital Reserves (Regulated Institutions only; DF-FA may not be used for Capital Reserves).
 - (6) Direct Administrative Expenses.

- b. Technical Assistance - The Recipient must use the Technical Assistance to support activities in the following areas:

- (1) Compensation (Personal Services);
- (2) Compensation (Fringe);
- (3) Training and Education;
- (4) Travel;
- (5) Professional Services;
- (6) Equipment;
- (7) Supplies; and
- (8) Incorporation costs (Sponsoring Entities only).

2. *Activities Unallowed*

- a. NACA Program Award Recipients may not distribute assistance to an affiliate or subsidiary without the prior consent of the CDFI Fund (12 CFR section 1805.302(b)).

L. Reporting

1. Financial Reporting

- a. *SF-270, Request for Advance or Reimbursement* – Not Applicable
- b. *SF-271, Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable
- c. *SF-425, Federal Financial Report* – Not Applicable

2. Performance Reporting

Performance Progress Report (PPR) (OMB Control Number 1559-0036) – (12 CFR 1805) - Recipients submit the PPR in the Awards Management Information System (AMIS) database once a year, three (3) months after the Recipient's Period of Performance End Date. The PPR is used to determine if the Recipient is in compliance with the applicable Performance Goals and Measures in its Assistance Agreement. The PG&Ms are specific to each Recipients assistance agreement. Additional guidance for completing the compliance reports is available on the NACA Program on the [Compliance Resources and Reporting section](#) page in the [Annual Compliance Reports Performance Progress Report \(PPR\) and Financial Audit Statement Data Points](#) document starting on page 2.

The Recipient has the ability to print copies of the PPR from its AMIS account if needed by the Auditor. The authoritative requirement for submission of the PPR is codified in 12 CFR 1805.803.

Recipients may request to revise a previously submitted report without it having an impact on their compliance status. The request should indicate the reason(s) for the revision(s) and the proposed changes. Revision requests should be submitted in a service request through the Recipients AMIS account. Once the PPR has been unlocked for revisions the Recipient has five (5) business days to make any necessary corrections and resubmit the report. Auditors can review the “Approval History” at the bottom of the PPR in AMIS to determine the report approval status. The Auditor will review the most recent version of the report available in AMIS

Key Line Items - The following line item contains critical information (items not numbered in the report):

1. *Performance Goals and Measures (PG&M)* - The PG&M’s identified are specific to each Recipient’s assistance agreement and generally only include 2-3 PG&Ms. The data reported for the Period of Performance for each required PG&M should meet or exceed the required benchmarks as outlined in the assistance agreement.

Transaction Level Report (TLR) and Consumer Loan Report (CLR) (OMB Control Number 1559-0027) – The TLR is applicable to FA Award Recipients only. The CLR is applicable to banks and credit unions who are FA Award Recipients that originated consumer loans during the Period of Performance. Both reports are due 180 days after the Recipient’s Period of Performance End Date. The reports are used to collect compliance and performance data and provide transactional information on an organization’s portfolio. The reports require reporting on newly originated loans and investments closed as of a Recipient’s fiscal year end. The guidance for completing the reports can be found in the [CDFI TLR Data Point Guidance](#) available on the CDFI Fund website. Auditors should request copies of the TLR from the Recipient’s AMIS account. The authoritative requirement for submission of the TLR/CLR is codified in 12 CFR 1805.803.

Recipients may request to revise a previously submitted report without it having an impact on their compliance status. The request should indicate the reason(s) for the revision(s) and the proposed changes. Revision requests should be submitted in a service request through the Recipients AMIS account. Once the TLR has been unlocked for revisions the Recipient has five (5) business days to make any necessary corrections and resubmit the report. Auditors can review the “Approval History” at the bottom of the TLR in AMIS to determine the report approval status. The Auditor will review the most recent version of the report available in AMIS

Key Line Items- The following line items contain critical information for the TLR:

1. *Column C - TLR Submission Year* - Submission year is the current data year.
2. *Column D - Date Originated* - Reporting date is within the reporting period.
3. *Column E* - Original Loan/Investment Amount
4. *Column I* - Interest Rate.
5. *Column K* - Points.
6. *Column L* - Origination Fees.
7. *Column O* - Term.
8. *Column AH* - Annual Gross Revenue from Business Operations at Time of Loan/Investment Origination.

Key Line Items - The following line items contain critical information for the CLR:

1. *Column E* - Total Originated Amount –Reported amount is accurate and the ratio of the total amount and the total number is equal to 1.
2. *Column F* - Total Originated Number – Reported number is accurate and the ratio of the total amount and the total number is equal to 1.
3. *Column B* - Fiscal Year – Reported value is equal to the value of the current data year.

Uses of Award Report (UOA) (OMB Control Number 1559-0032) – Recipients submit the UOA in the AMIS database once a year, three (3) months after the Recipients Period of Performance End Date. Additional guidance for completing the compliance reports is available on the NACA Program website on the [Compliance Resources and Reporting](#) section page in the [Uses of Award \(UOA\) Report Data Points Description and Related Guidance and Financial Audit Statement Data Points](#) document starting on page 2. The authoritative requirement for submission of the UOA is codified in 12 CFR 1805.803.

Recipients may request to revise a previously submitted report without it having an impact on their compliance status. The request should indicate the reason(s) for the revision(s) and the proposed changes. Revision requests should be submitted in a service request through the Recipients AMIS account. Once the UOA has been unlocked for revisions the Recipient has five (5) business days to

make any necessary corrections and resubmit the report. Auditors can review the “Approval History” at the bottom of the UOA in AMIS to determine the report approval status. The Auditor will review the most recent version of the report available in AMIS

Key Line Items - The following line items contain critical information (items not numbered in the report):

1. *Advances of FA Funds held in interest-bearing accounts.*
2. *Amount of Interest earned.*
3. *Interest earned in excess of \$500 has been remitted to the Department of Health & Human Services.*
4. *Category of Activity - Total Dollar Amount* – The total dollar amount of the activity expended during the Period of Performance.

3. Special Reporting

Not Applicable

4. Special Reporting for Federal Funding Accountability and Transparency Act

See Part 3.L for audit guidance.

IV. OTHER INFORMATION

Recipients that received assistance in the form of a loan are required to submit both performance and financial reports for the Period of Performance designated in the assistance agreement. However, this does not relieve the borrower of the requirement to file financial reports on these loans or otherwise comply with program requirements until the loan is repaid to the CDFI Fund.

DEPARTMENT OF THE TREASURY**ASSISTANCE LISTING 21.015 RESOURCES AND ECOSYSTEMS SUSTAINABILITY,
TOURIST OPPORTUNITIES, AND REVIVED ECONOMIES OF THE GULF
COAST STATES (Gulf RESTORE)****I. PROGRAM OBJECTIVES**

The objectives of the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act) programs are to restore and protect the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches, coastal wetlands, and economy of the Gulf Coast Region.

II. PROGRAM PROCEDURES

The RESTORE Act established the Gulf Coast Restoration Trust Fund (Trust Fund) to hold 80 percent of the administrative and civil penalties paid by parties responsible for the Deepwater Horizon oil spill after July 6, 2012, plus interest on investments. Amounts in the Trust Fund are allocated among the five grant programs: Direct Component, Comprehensive Plan Component, Spill Impact Component, the National Oceanic and Atmospheric Administration RESTORE Act Science Program, and a Centers of Excellence Research Grants Program. The Department of the Treasury (Treasury) is responsible for administering the Direct Component and the Centers of Excellence Research Grants Program.

Through the Direct Component, Treasury makes grants for ecological and economic restoration of the Gulf Coast Region. Thirty-five (35) percent of the penalties paid into the Trust Fund is used for grants to support eligible activities proposed by the states of Alabama, Louisiana, Mississippi, and Texas; the Florida counties of Bay, Charlotte, Citrus, Collier, Dixie, Escambia, Franklin, Gulf, Hernando, Hillsborough, Jefferson, Lee, Levy, Manatee, Monroe, Okaloosa, Pasco, Pinellas, Santa Rosa, Sarasota, Taylor, Wakulla, and Walton; and the Louisiana Coastal Zone parishes of Ascension, Assumption, Calcasieu, Cameron, Iberia, Jefferson, Lafourche, Livingston, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebonne, and Vermilion. Each state, county, and parish has a defined share of the amount of the Direct Component. Recipients may choose to make subawards to complete eligible activities if approved by Treasury.

Through the Centers of Excellence Research Grants program, Treasury awards grants to the five Gulf Coast states (Alabama, Florida, Louisiana, Mississippi, and Texas) for the establishment of Centers of Excellence focused on science, technology, and monitoring in at least one of five disciplines listed in the RESTORE Act. The states select these Centers through a competitive process and fund the research work through subawards. Each state has an equal share of the Centers of Excellence Research Grants Program trust fund allocation.

This Compliance Supplement covers only Treasury's grants to the states, counties, and parishes under the Direct Component and grants to states under the Centers of Excellence Research Grants Program, which, at the state recipient level does not include research activity. However, subawards under the Centers of Excellence Research Grants Program will be audited as part of the R&D Cluster in Part 5 of the Supplement.

Source of Governing Requirements

The primary sources of requirements for the programs are the RESTORE Act (Subtitle F of Pub. L. No. 121-141), (33 USC 1321(t) and 33 USC 1321 note), and Treasury’s implementing regulations at 31 CFR Part 34.

RESTORE Act statute: <https://www.govinfo.gov/content/pkg/BILLS-112hr4348enr/pdf/BILLS-112hr4348enr.pdf> (See pages 184 - 203)

This document details information that is contained in the authorizing statute.

33 USC 1321: <https://www.govinfo.gov/content/pkg/USCODE-2011-title33/pdf/USCODE-2011-title33-chap26-subchapIII-sec1321.pdf> (See pages 1 - 21)

This document provides the definitions associated with RESTORE Act programs.

31 CFR Part 34: <https://www.govinfo.gov/content/pkg/CFR-2022-title31-vol1/pdf/CFR-2022-title31-vol1-part34.pdf> (See page 1 - 17)

This document provides the implementing regulations for RESTORE Act programs.

Availability of Other Program Information

Other program information regarding grants under the RESTORE Act is available at the Treasury’s website at <https://home.treasury.gov/policy-issues/financial-markets-financial-institutions-and-fiscal-service/restore-act>.

III. COMPLIANCE REQUIREMENTS

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A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment and Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement and Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	N	N	Y	N	Y	N	Y	Y	Y

A. Activities Allowed or Unallowed

1. *Activities Allowed in the Direct Component*

All activities must be included in, and conform to, the description in the recipient's grant agreement, and may include the following:

- a. Restoration and protection of the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches, and coastal wetlands of the Gulf Coast Region;
- b. Mitigation of damage to fish, wildlife, and natural resources;
- c. Implementation of a federally-approved marine, coastal, or comprehensive conservation management plan, including fisheries monitoring;
- d. Workforce development and job creation;
- e. Improvements to or on state parks located in coastal areas affected by the Deepwater Horizon oil spill;
- f. Infrastructure projects benefitting the economy or ecological resources, including port infrastructure;
- g. Coastal flood protection and related infrastructure;
- h. Promotion of tourism in the Gulf Coast Region, including promotion of recreational fishing;
- i. Promotion of the consumption of seafood harvested from the Gulf Coast Region;
- j. Planning assistance;
- k. administrative costs; and

1. The nonfederal share of the cost of any project or program authorized by federal law that is an eligible activity under the RESTORE Act (31 CFR sections 34.2, 34.200, and 34.201).
2. *Activities Unallowed for the Direct Component*

Activities that were included in any claim for compensation presented after July 6, 2012, to the Oil Spill Liability Trust Fund authorized by 26 USC 9509 (31 CFR section 34.200(a)(3)). Information on the Oil Spill Liability Trust Fund can be found at www.uscg.mil/npfc.

B. Allowable Costs/Cost Principles

Costs incurred for administrative duties of the Alabama Gulf Coast Recovery Council are not allowed to the extent those duties were performed by public officials and employees who are not subject to the ethics laws of the state of Alabama (31 CFR section 34.302(a)).

G. Matching, Level of Effort, Earmarking

1. Matching

Not Applicable

2. Level of Effort

Not Applicable

3. Earmarking

Effective May 3, 2019, Treasury issued a final rule to revise the method by which the statutory 3 percent limitation on administrative costs is applied under the Direct Component, Comprehensive Plan Component, and Spill Impact Component under the RESTORE Act. Through this revision, the 3 percent limit on administrative costs may be applied to the total amounts of funds received by a recipient under each of the three components either on a grant-by-grant or on an aggregate basis as described in 31 CFR 34.204, Limitations on administrative costs and administrative expenses.

Administrative costs, for purposes of this limitation, are defined as indirect costs for administration incurred by the Gulf Coast states, coastal political subdivisions, and coastal zone parishes that are allocable to activities authorized under the Act. Administrative costs do not include that portion of indirect costs that are identified specifically with, or readily assignable to, facilities as defined in 2 CFR section 200.414. The 3 percent limitation does not apply to the administrative costs of subrecipients (31 CFR sections 34.2 and 34.204). The instructions and tools for calculating allowable costs are available on the Treasury RESTORE Act

website at <https://home.treasury.gov/policy-issues/financial-markets-financial-institutions-and-fiscal-service/restore-act>.

I. Procurement and Suspension and Debarment

1. When awarding contracts under the Direct Component, a recipient may give preference to individuals and companies that reside in, are headquartered in, or are principally engaged in business in the state of project execution (31 CFR section 34.305(b)).
2. Under the Direct Component, the acquisition of land, or interests in land, can only be from a willing seller (31 CFR section 34.803(f)).
3. The Infrastructure Investment and Jobs Act (“IIJA”), Pub. L. No. 117-58, includes the Build America, Buy America Act (“the Act”). Pub. L. No. 117-58, §§ 70901-52, which requires that no later than May 14, 2022, 180 days after the enactment of the IIJA, the head of each covered Federal agency shall ensure that “none of the funds made available for a Federal financial assistance program for infrastructure, including each deficient program, may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States.”

On February 17, 2023, the Treasury Office of Gulf Coast Restoration (OGCR) posted its final waiver entitled, “Public Interest General Applicability Waiver from Application of Section 70914(a) of the Build America, Buy America Act to the RESTORE Act, Direct Component Infrastructure Projects That Were in the Funding Pipeline by May 14, 2022” on its website and cross-posted it on the MadeinAmerica.gov website, which is a centralized waiver transparency website managed by GSA.

This new waiver covers new obligations by Treasury for infrastructure projects under the RESTORE Act, Direct Component program made on or after February 17, 2023, to either (a) make new grants for infrastructure projects under the RESTORE Act, Direct Component or (b) monetary amendments to existing Direct Component grants for infrastructure projects. The waiver only covers new obligations if the proposed infrastructure project in the new grant or the infrastructure project in the amendment to the existing grant was already in the eligible entity’s funding pipeline by May 14, 2022, the effective date of the Buy America Preference requirements.

Treasury considers a new grant or monetary amendment to an existing grant for an infrastructure project to be covered by this waiver if, as of May 14, 2022, the eligible entity had already undertaken substantial public engagement, as required by Treasury’s implementing regulations at 31 CFR 34.303, related to the eligible entity’s selection and approval of that particular infrastructure activity for inclusion in the entity’s regulatory-required Multiyear Implementation Plan. The RESTORE Act, which authorized the Direct Component program, established the

Multiyear Implementation Plan as a prerequisite for applying for a Direct Component grant.

OGCR will put in the Remarks section of each Notice of Award (NOA) whether the Act applies. Auditors should review the NOA to determine if the Act applies.

L. Reporting

1. Financial Reporting

a. *SF-270, Request for Advance or Reimbursement* – Not Applicable

b. *SF-271, Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable

c. *SF-425, Federal Financial Report (semi-annual)* – Applicable

2. Performance Reporting

Not Applicable

3. Special Reporting

Not Applicable

N. Special Tests and Provisions

1. Wage Rate Requirements

Under the Direct Component, for contracts that exceed \$2,000 that are for the construction, alteration, or repair of treatment works as defined at 33 USC 1292(2), all laborers and mechanics employed by contractors and subcontractors must be paid wages at rates not less than those prevailing for the same type of work on similar construction in the immediate locality, as determined by the secretary of labor, in accordance with the Wage Rate Requirements (33 USC 1372).

See Wage Rate Requirements Cross-Cutting Section (page 4-20.001-4).

DEPARTMENT OF THE TREASURY

ASSISTANCE LISTING 21.016 EQUITABLE SHARING PROGRAM

I. PROGRAM OBJECTIVES

The purpose of the Equitable Sharing Program (Program) is to foster greater law enforcement cooperation among state, local, tribal, and federal law enforcement agencies. State and local law enforcement agencies can request federally forfeited funds or tangible assets through the Program based on their qualitative and quantitative contributions to an investigation resulting in federal forfeiture. Equitably shared funds must be used by law enforcement agencies for law enforcement purposes only.

II. PROGRAM PROCEDURES

A. Overview

The Program is managed by the Treasury Executive Office for Asset Forfeiture (TEOAF), which reports to the Department of the Treasury's Office of Terrorism and Financial Intelligence (TFI). TEOAF manages the Treasury Forfeiture Fund, which is the receipt account for non-tax federal forfeitures made by Treasury and Department of Homeland Security law enforcement agencies. State, local, or tribal law enforcement agencies that assist in federal investigations resulting in forfeiture may seek a portion of the federally forfeited funds in an amount commensurate with their efforts resulting in the forfeiture.

A law enforcement agency seeking a share of federally forfeited funds must meet eligibility requirement of being a law enforcement agency, must file an annual Equitable Sharing Agreement and Certification (ESAC) form, and must be in compliance with program requirements at the time of payment. The payment must bear a reasonable relationship to the level of the recipient agency's participation in the total law enforcement effort resulting in the forfeiture.

Shared funds may be used for a variety of law enforcement purposes, including but not limited to training, equipment, accounting services, joint law enforcement/public safety operations, drug, gang and other prevention or awareness programs.

Equitable sharing funds are considered federal financial assistance as defined in 2 Code of Federal Regulations (CFR) section 200.40. Equitable sharing payments are classified as "Direct Payment for Specified Use" in the Catalog of Federal Domestic Financial Assistance.

Source of Governing Requirements

The Equitable Sharing Program is authorized by 31 USC Section 9705(a)(1)(G) and (b)(4); 18 USC Section 981(e)(2); 19 USC Section 1616a(c); and 21 USC Section 881(e)(1)(A) and (e)(3). The specific program requirements are implemented by guidelines, set forth in the *Joint Department of Justice/Department of Treasury Guide to Equitable Sharing for State, Local, and*

Tribal Law Enforcement Agencies (Guide) (July 2018). Also, periodically, updates to policies impacting the Treasury Equitable Sharing program may be included in public notices issued by DOJ called “DOJ Wires,” which are available here: <https://www.justice.gov/criminal-mlars/equitable-sharing-program>.

Availability of Other Program Information

More details regarding the Program, including the *Guide* are available at www.treasury.gov/resource-center/terrorist-illicit-finance/Pages/Equitable-Sharing.aspx, as well as the Department of Justice website at <https://www.justice.gov/criminal-mlars/equitable-sharing-program>.

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an “N.” See the Safe Harbor Status discussion in Part 1 for additional information.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment and Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement and Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	Y	Y	Y	N	Y	N	Y	N	N

A. Activities Allowed or Unallowed

1. Activities Allowed

- a. *Financial Assistance*- Section V.A through V.B of the *Guide* sets forth examples of the authorized activities and uses of shared funds. The ESAC form, and *Guide* in general, sets forth the general terms and conditions for

a recipient of shared funds. Specifically, shared funds may be used for permissible law enforcement expenses that supplement, and not supplant, law enforcement resources.

- b. Transfer of Tangible Assets- Section V.D of the Guide sets forth requirements pertaining to tangible assets or, rarely, real property transferred to a state or local agency in lieu of forfeited proceeds.

B. Allowable Costs/Cost Principles

As a direct payment for specified use, these funds are considered federal financial assistance and are subject to only the following sections of the *Code of Federal Regulations*, Title 2, Subtitle A, Chapter II, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“2 CFR”): Subpart A – Acronyms and Definitions; Subpart B – General Provisions (excluding Sections 200.111 to 200.113); Subpart D – Post Federal Award Requirements (only sections 200.303 – Internal Controls and 200.331 to 333 – Subrecipient Monitoring in the limited case of where a cash transfer is permitted); and Subpart F – Audit Requirements. All other provisions of 2 CFR, including 2 CFR sections 200.400 to 200.476, are inapplicable to the Program. Although 2 CFR sections 200.400 to 200.475 are not applicable, the *Guide*, sections V.B.1, 2, and 3, detail allowable and unallowable uses of federal equitable sharing funds. Note that there may be specific exceptions for use of shared funds, so the *Guide* should be consulted for details. The *Guide*’s policies on the use and administration of equitable sharing funds may also be updated at any time through the issuance of updated guidance.

E. Eligibility

1. Eligibility for Recipient State or Local Law Enforcement Agencies

Recipients of shared funds must meet the eligibility requirements set forth in the *Guide*, sections 1.B, II, and III. Generally, this means they must be in compliance with all applicable civil rights requirements, must be deemed a law enforcement agency (determined by Treasury or Department of Justice (DOJ)), must be in compliance with program requirements, and must have had some participation in the investigation resulting in the forfeiture for which it is seeking funds.

2. Eligibility for Individuals

Not Applicable

3. Eligibility for Groups of Individuals or Area of Service Delivery

Not Applicable

4. Eligibility for Subrecipients

Transfer of cash from one recipient to another is not permitted except in rare circumstances where TEOAF has granted a waiver. In that case, the subrecipient monitoring requirements of 2 CFR 200.331 to 333 would apply.

F. Equipment and Real Property Management

See *Guide*, Section V.C for Program-specific requirements.

G. Matching, Level of Effort, Earmarking**1. Matching**

Not applicable

2. Level of Effort

Agencies may supplement, not supplant, their appropriated funds. See *Guide*, sections I.C and V for Program-specific requirements.

3. Earmarking

The *Guide*, Section V.A.2, states that agencies may earmark funds already received from and on hand but may not budget or commit funds not yet awarded or received.

I. Procurement and Suspension and Debarment

1. *Procurement* – Although 2 CFR sections 200.317 to 200.327 are not applicable, the *Guide*, Section VI.A.3, requires agencies to follow their jurisdiction's procurement policies.
2. *Suspension and Debarment* – 2 CFR sections 180.200 to 225 are applicable.

L. Reporting

See *Guide*, Section VII for Program-specific requirements. The *Guide*, Section VII, details the annual reporting requirements for equitable sharing fund through the submission of the annual ESAC form. Agencies report on the ESAC the amount of funds received and how they were expended in general categories such as equipment and training.

1. Financial Reporting

- a. *SF-270, Request for Advance or Reimbursement* – Not Applicable
- b. *SF-271, Outlay Report and Request for Reimbursement for Construction Program* – Not Applicable
- c. *SF-425, Federal Financial Report* – Not Applicable

2. Performance Reporting

Not Applicable

3. Special Reporting

Not Applicable

4. Special Reporting for Federal Funding Accountability and Transparency Act

See Part 3.L for audit guidance.

IV. OTHER INFORMATION

The DOJ also manages its own Equitable Sharing Program under Assistance Listing 16.922. Funds from each program must be maintained and managed separately.

DEPARTMENT OF THE TREASURY**ASSISTANCE LISTING 21.019 CORONAVIRUS RELIEF FUND****I. PROGRAM OBJECTIVES**

Note: Recipients of Coronavirus Relief Fund (CRF) payments are subject to a limited subset of the requirements in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements, (2 CFR Part 200). Specifically, recipients are subject to Subpart A- Acronyms and Definitions, 2 CFR Parts 200.111 through 200.113 relative to recipients' use of the English language, establishing a conflict of interest policy, and mandatory disclosure requirements, 2 CFR 200.303 regarding internal controls, 2 CFR Parts 200.331 through 200.333 regarding subrecipient monitoring and management, and 2 CFR Part 200, Subpart F regarding audit requirements. Also FAQ B. 7 and B. 8 in the [Coronavirus Relief Fund Program Guidance](#) provides that direct payments are made to state, territorial, Tribal, and certain eligible local governments in order to cover:

1. Necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19);
2. Costs that were not accounted for in the government's most recently approved budget as of March 27, 2020; and
3. Costs that were incurred during the period that begins on March 1, 2020 and ends on December 31, 2021 for State and local governments, and ends on December 31, 2022 for Tribal governments.

On December 27, 2020, the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260 codified at 42 USC 801(d)(3), was signed into law. Division N, Title X, Section 1001 of the Consolidated Appropriations Act, 2021, codified at 42 USC 801(d)(3), extended the period for which primary recipients may incur eligible costs using payments from CRF from December 30, 2020, to December 31, 2021.

Division LL of the Consolidated Appropriations Act, 2023, Pub. L. No. 117-328 (December 29, 2022), further extended the period for state and local governments to pay for CRF program expenditures until September 30, 2022 for costs incurred or obligations made during the period March 1, 2020 through December 31, 2022. It also extended the period of time that Tribal governments are required to use their CRF funds. Tribal governments must pay for CRF program expenditures by March 31, 2023 CRF program costs incurred or obligations made during the period March 1, 2020 through December 31, 2022. These extensions do not apply to subrecipients unless original subrecipient agreements were modified by the pass-through entity to include such extensions. For more information on the limitation for use of payments from CRF, please reference the US Department of the Treasury's (Treasury) guidance located in the section below titled "Availability of Other Program Information."

In addition to Federal statutes, regulations or the terms and conditions, auditors must use Treasury's guidance and Frequently Asked Questions (FAQs) and Treasury's Office of Inspector

General (OIG) guidance on reporting and record retention, including related FAQs at <https://oig.treasury.gov/sites/oig/files/2021-03/OIG-CA-20-028R.pdf>, as the criteria when auditing use of payments from CRF, as well as when reporting findings.

II. PROGRAM PROCEDURES

A. Overview

The Treasury provided assistance of \$150 billion from CRF in direct payments to state, territorial, Tribal, and eligible local governments with \$3 billion reserved for payments to the District of Columbia, Puerto Rico, US Virgin Islands, Guam, Northern Mariana Islands, and American Samoa and \$8 billion reserved for payments to Tribal governments. The remaining \$139 billion were allocated for payments to the 50 states and eligible local governments with each state receiving a minimum payment no less than \$1.25 billion for fiscal year 2020. Payments to states were subject to reduction based on payments to eligible local governments. Amounts paid to states and eligible local governments were based on 2019 population data from the US Census Bureau.

Units of local government eligible for direct payment include counties, municipalities, towns, townships, villages, parishes, boroughs, or other units of general government below the state level with a population that exceeds 500,000. Eligible units of local government had to provide a certification to receive direct payment from CRF. The secretary of the Treasury made a determination to allocate payments to Tribal governments based on population, employment, and expenditure data.

State, territorial, Tribal, and eligible local governments are required to use payments from CRF to cover:

1. Necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. Costs that were not accounted for in the governments' most recently approved budget as of March 27, 2020; and
3. Costs that were incurred during the period that begins on March 1, 2020, and ends on December 31, 2021 for State and local governments, and on December 31, 2022 for Tribal governments and Alaskan Native Corporations.

Governments otherwise have broad discretion to utilize payments for expenditures ranging from COVID-19 testing including, but not limited to, reimbursing small businesses for the costs of business interruption caused by required closures.

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) statutory criteria on use of payments from CRF stated in section 601(d) of the Social Security Act, as added by section 5001 of Division A of the CARES Act (42 USC 801(d)) and as interpreted in Treasury's guidance and FAQs, applies to prime recipients, subrecipients, and beneficiaries, as detailed in Section M. on Subrecipient Monitoring below and Treasury's FAQ # B.13. Please note the Single Audit Act and 2 CFR part 200, subpart F

regarding audit requirements do not apply to those receiving funds as either individuals or beneficiaries.

On June 25, 2021, the Supreme Court held in *Yellen v. Confederated Tribes of the Chehalis Reservation* that Alaska Native regional and village corporations (ANCs) are considered Indian Tribes under the Indian Self-Determination and Education Assistance Act (ISDEA) and are thus eligible for payments from the Fund. Consistent with this ruling, Treasury, in consultation with Office of Management and Budget (OMB), has determined that ANCs are subject to the requirements of the Single Audit Act and its implementing regulations, 2 CFR Part 200, Subpart F, with respect to payments received from the Fund. See <https://home.treasury.gov/system/files/136/CRF-Application-of-the-Single-Audit-to-ANCs.pdf> for more information the application of the Single Audit Act to ANCs.

Source of Governing Requirements

CRF is authorized by Division A, Title V, Section 5001 of the CARES Act, Pub. L. No. 116-136 (March 27, 2020) and codified at [42 USC 801](#) et seq., and amended by Division N, Title X, Section 1001 of the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260 (December 27, 2020) codified at 42 USC 801(d)(3). It was further amended by Division LL of the Consolidated Appropriations Act, 2023, Pub. L. No. 117-328 (December 29, 2022).

Availability of Other Program Information

Additional information on CRF is available on the Treasury website at <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>.

Treasury has published in the *Federal Register* its Guidance and FAQs regarding the Coronavirus Relief Fund for states, Tribal governments, and certain eligible local governments. This section of the *Federal Register* is entitled, “Coronavirus Relief Fund for States, Tribal Governments, and Certain Eligible Local Governments, Coronavirus Relief Fund Program Guidance (CRF Program Guidance).”

The *Federal Register* notice is available at 86 FR 4182 (Jan. 15, 2021) and on Treasury’s website at https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf (See pages 1 – 13). Treasury subsequently revised this guidance as relates to the requirement that costs be incurred by December 31, 2021, to provide additional flexibility to recipients. See CRF Guidance Revision Regarding Cost Incurred dated December 14, 2021, at https://home.treasury.gov/system/files/136/CRF-Guidance_Revision-Regarding-Cost-Incurred.pdf.

All of Treasury OIG’s guidance on reporting and record retention, including related FAQs, can be found at <https://oig.treasury.gov/cares-act-reporting-and-record-keeping-information>. Links and descriptions for key documents can be found below:

- [Department of the Treasury Office of Inspector General Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping \(Revised\)](#) (OIG-CA-20-028R dated March 2, 2021) (See pages 1 – 25)

This document addresses frequently asked questions (FAQs) from CRF prime recipients regarding their reporting and record keeping requirements and supplements Treasury OIG’s memorandums Coronavirus Relief Fund Recipient Reporting and Record Retention Requirements (OIG-CA-20-021 dated July 2, 2020) and Coronavirus Relief Fund Reporting Requirements Update (OIG-CA-20-025 dated July 31, 2020).

- [Coronavirus Relief Fund Reporting Requirements Update](#) (OIG-CA-20-025 dated July 31, 2020) (See pages 1 – 6)

This memorandum augments and clarifies prime recipient’s quarterly reporting requirements contained in memorandum OIG-CA-20-021 dated July 2, 2020.

- [Coronavirus Relief Fund Reporting and Record Retention Requirements](#) (OIG-CA-20-021 dated July 2, 2020) (See pages 1 – 4)

This document describes recipient reporting and record retention requirements under the Coronavirus Relief Fund program.

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an “N.” See the Safe Harbor Status discussion in Part 1 for additional information.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment and Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement and Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	N	N	N	Y	N	N	Y	Y	N

A. Activities Allowed or Unallowed

CRF is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. Governments may use CRF payments for eligible expenses subject to the restrictions set forth in 42 USC 801(d). Payments must be used to cover costs that are incurred by:

1. State and local governments beginning March 1, 2020 through December 31, 2021, and by Tribal governments beginning March 1, 2020 through December 31, 2022;
2. Necessary expenditures incurred due to the public health emergency with respect to COVID-19;
3. Not accounted for in the governments' most recently approved budget as of March 27, 2020; and

A cost meets the requirement of "costs not accounted for in the budget most recently approved as of March 27, 2020," if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

Please see page 2 of Treasury’s guidance on “Costs not accounted for in the budget most recently approved as of March 27, 2020,” at https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf for additional details. Treasury subsequently revised this guidance to provide additional flexibility to recipients. See CRF Guidance Revision Regarding Cost Incurred dated December 14, 2021, at https://home.treasury.gov/system/files/136/CRF-Guidance_Revision-Regarding-Cost-Incurred.pdf. Costs incurred represent funds obligated. As such, State and local governments are required to use their CRF funds by September 30, 2022 to pay for CRF program expenditures incurred or obligations made during the period March 1, 2020 through December 31, 2021. Tribal governments are required to use their CRF funds by March 31, 2023 to pay for CRF program expenditures incurred or obligations made during the period March 1, 2020 through December 31, 2022.

Note: Allowable activities unique to CRF where extra attention may be warranted include Payments to Individuals (Payroll to Public Health and Safety Employees); Aggregate payments to individuals (Substantially Dedicated Payroll); Payments to Individuals (Hazard Pay); Real Property; Unemployment Insurance; and Broadband.

1. *Activities Allowed-* Please see below for program-specific guidance on the allowability of these costs.
 - a. Payments to Individuals (Payroll to Public Health and Safety Employees): CRF recipients were permitted to use of CRF for payroll of public health and safety employees, and those that directly support them, during the covered period. (See [CRF Program Guidance](#) pages 4184 and 4185 for the Nonexclusive Examples of Eligible Expenditures; and [Treasury OIG FAQs](#) #80 and #80b)
 - b. Aggregate Payments to Individuals (Substantially Dedicated Payroll): CRF recipients were permitted to use CRF for payroll expenses for non-public health and safety employees (i.e., employees that do not meet the definition of public health and safety workers above). CRF funds used for this purpose were permitted to cover payroll for these employees to the extent that their work was substantially dedicated to mitigating or responding to the COVID–19 public health emergency. The relevant unit of government must maintain documentation of the “substantially dedicated” conclusion with respect to its employees. (See [CRF Program Guidance](#) FAQ 47 on page 4191)
 - c. Payments to Individuals (Hazard Pay): CRF recipients were permitted to use CRF for hazard pay and overtime payroll expenses for individuals that performed hazardous duty or work involving physical hardship that in each case was related to COVID–19. (See [CRF Program Guidance](#) FAQ 29 on page 4190)

- d. **Real Property:** CRF recipients were permitted to use CRF for real property necessary to address the COVID–19 public health emergency. (See [CRF Program Guidance](#) FAQ 58 on page 4193)
- e. **Unemployment Insurance:** States were permitted to use CRF payments to support state unemployment insurance funds to the extent that the costs incurred were incurred due to the COVID–19 public health emergency. Unemployment insurance costs incurred by the recipient as an employer were permitted if they were related to the COVID–19 public health emergency and the costs were not otherwise reimbursed by the federal government pursuant to the CARES Act. (See [CRF Program Guidance](#) FAQs 9 and 10 on page 4188)
- f. **Broadband:** CRF recipients were permitted to use CRF funds to expand rural broadband capacity to assist with distance learning and telework to the extent that they were necessary for the public health emergency. (See [CRF Program Guidance](#) FAQ 36 on page 4190). CRF payments are not required to be used as the source of funding of last resort. However, recipients may not use payments from CRF to cover expenditures for which they will receive reimbursement from other sources. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19.

2. *Activities Unallowed*

- a. CRF payments are not required to be used as the source of funding of last resort. However, recipients may not use payments from CRF to cover expenditures for which they will receive reimbursement from other sources. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19.
- b. Please see Treasury’s FAQs at https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf for more information related to the expenditures that may or may not be covered with payments from CRF and the CRF Guidance Revision Regarding Cost Incurred dated December 14, 2021 at https://home.treasury.gov/system/files/136/CRF-Guidance_Revision-Regarding-Cost-Incurred.pdf.

B. Allowable Cost/Cost Principles

As a direct payment for specified use, these funds are considered federal financial assistance, but are not provided pursuant to a grant agreement. In accordance with 2 CFR section 200.101(b) regarding applicability only certain provisions of the *Code of Federal*

Regulations, Title 2, Subtitle A, Chapter II, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”– 2 CFR Part 200) apply to CRF and these provisions include the following:

1. Subpart A- Acronyms and Definitions;
2. Subpart B-General provisions except for 2 CFR sections 200.111–200.113;
3. 2 CFR section 200.303 regarding internal controls;
4. 2 CFR sections 200.331–333 regarding subrecipient monitoring and management; and
5. Subpart F – Audit Requirements

All other provisions of 2 CFR Part 200 are not applicable to CRF.

While 2 CFR Part 200, Subpart E, Cost Principles does not apply to CRF, auditors should use pages 1 to 13 of Treasury’s [“Coronavirus Relief Fund for States, Tribal Governments, and Certain Eligible Local Governments: Coronavirus Relief Fund Program Guidance”](#) as published in the Federal Register on January 15, 2021 as the criteria when testing the allowability of costs under CRF. For example, while not exhaustive, in the context of real property improvements and acquisitions and equipment acquisitions (which includes vehicles) this means that the acquisition itself must be necessary due to the COVID-19 public health emergency. In particular, a government must (i) determine that it is not able to meet the need arising from the public health emergency in a cost-effective manner by leasing property or equipment or by improving property already owned and (ii) maintain documentation to support this determination. Likewise, an improvement, such as the installation of modifications to permit social distancing, would need to be determined to be necessary to address the COVID-19 public health emergency (See FAQ # A.58 in the [CRF Program Guidance](#) for more detail on real property improvements and acquisitions and equipment acquisitions).

H. Period of Performance

Governments must use the direct payments for necessary expenditures incurred between March 1, 2020, and December 31, 2021, due to the COVID-19 public health emergency. Please see pages 1 and 2 of Treasury’s guidance on “Costs incurred during the period that begins on March 1, 2020, and ends on December 31, 2021” for more detail at: https://home.treasury.gov/system/files/136/CRF-Guidance_Revision-Regarding-Cost-Incurred.pdf.

Treasury subsequently revised this guidance to provide additional flexibility to recipients. See CRF Guidance Revision Regarding Cost Incurred dated December 14, 2021, at

https://home.treasury.gov/system/files/136/CRF-Guidance_Revision-Regarding-Cost-Incurred.pdf.

Costs incurred represent funds obligated. As such, State and local governments are required to use their CRF funds by September 30, 2022 to pay for CRF program expenditures incurred or obligations made during the period March 1, 2020 through December 31, 2021. Tribal governments are required to use their CRF funds by March 31, 2023 to pay for CRF program expenditures incurred or obligations made during the period March 1, 2020 through December 31, 2022. However, this extension does not apply to subrecipients unless original subrecipient agreements were modified by the pass-through entity to include such extension.

L. Reporting

1. Financial Reporting

- a. *SF-270, Request for Advance or Reimbursement* – Not Applicable
- b. *SF-271, Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable
- c. *SF-425, Federal Financial Report* – Not Applicable

2. Performance Reporting

Not Applicable

3. Special Reporting

Title of Report: Financial Progress Report

PRA Number: Statutory requirement per 42 USC 801(f)(1). PRA not required.

Reporting Cycle: Quarterly

Authoritative Requirement: 42 USC 801

Department of the Treasury “Coronavirus Relief Fund for States, Tribal Governments, and Certain Eligible Local Governments Coronavirus Relief Fund Program Guidance” as published in the Federal Register on January 15, 2021 at https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf;

Department of the Treasury Office of Inspector General Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping (Revised) <https://oig.treasury.gov/sites/oig/files/2021-03/OIG-CA-20-028R.pdf>;

Department of the Treasury Office of Inspector General “Coronavirus Relief Fund Reporting and Record Retention Requirements” <https://oig.treasury.gov/sites/oig/files/2021-01/OIG-CA-20-021.pdf>; 31 CFR section 35.4(c) Reporting and requests for other information;

Blank Copy of the Report: Department of the Treasury Office of Inspector General “Treasury OIG & PRAC Financial Reporting OLDC Form” [Treasury OIG & PRAC Financial Reporting OLDC Form: Prime Recipient User Guide](#)

Report Instructions: Department of the Treasury Office of Inspector General “Treasury OIG & PRAC Financial Reporting OLDC Form” [Treasury OIG & PRAC Financial Reporting OLDC Form: Prime Recipient User Guide](#)

Report Corrections: Recipients may make report corrections or additions within the first 10 days after a quarter end, or before the close date. The Treasury OIG approves final submissions that are determined to be complete and may return reports to recipients for corrections. Recipients may not access previous versions of a revised report in GrantSolutions for correction. They must make corrections in the current open reporting period.

Key Line Item(s)- The following line items contain critical information:

1. *Total Cumulative Obligations*- Quantifiable Objective Criteria: Cumulative obligations reported in GrantSolutions agrees with the prime recipient’s records (e.g., general ledger, subsidiary ledger, and related source documents).
(See [Treasury OIG & PRAC Financial Reporting OLDC Form: Prime Recipient User Guide](#) pages 30 – 57; [Treasury OIG FAQs on Reporting and Recordkeeping \(Revised\)](#) #72; and [Treasury OIG Record Retention and Reporting Requirements](#), page 4)
2. *Total Cumulative Expenditures*- Quantifiable Objective Criteria: Cumulative expenditures reported in GrantSolutions agrees with the prime recipient’s records (e.g., general ledger, subsidiary ledger, and related source documents).
(See [Treasury OIG & PRAC Financial Reporting OLDC Form: Prime Recipient User Guide](#) pages 30 – 57; [Treasury OIG FAQs on Reporting and Recordkeeping \(Revised\)](#) #72; and [Treasury OIG Record Retention and Reporting Requirements](#), page 4)
3. *Loans*- Quantifiable Objective Criteria: Repayment terms of all loans issued are reported accurately against the loan terms.
(See [Treasury CRF Program Guidance](#) #40; and [Treasury OIG FAQs on Reporting and Recordkeeping \(Revised\)](#) #51)
4. *Transfers to Other Government Entities*- Quantifiable Objective Criteria: The prime recipient does not include transfers for movements of funds within their own government as subrecipients. For example, a

State designating funds for their public works department is not a transfer.

(See [Treasury CRF Program Guidance](#) #4 and [Treasury OIG FAQs on Reporting and Recordkeeping \(Revised\)](#) #26 and #27)

5. *Aggregate Reporting*- Quantifiable Objective Criteria: Aggregate reporting is only used for single transactions less than \$50,000 and not for Contracts, Grants, Loans, Direct Payments, and/or Transfers greater than \$50,000. (See [Treasury OIG & PRAC Financial Reporting OLDC Form: Prime Recipient User Guide](#) pages 30 – 57; [Treasury OIG FAQs on Reporting and Recordkeeping \(Revised\)](#) #6 and #7)

4. Special Reporting for Federal Funding Accountability and Transparency Act

Not Applicable

M. Subrecipient Monitoring

For information on subrecipient monitoring, please reference Part 3 of the Compliance Supplement. (Note: The Single Audit Act and 2 CFR Part 200, Subpart F regarding audit requirements do not apply to beneficiaries as defined in the Treasury CRF Program Guidance Treasury's FAQ B.13 at [CRF-Guidance-Federal-Register 2021-00827.pdf \(treasury.gov\)](#)).

The Treasury CRF Program Guidance requires recipients to report on both subrecipients and beneficiaries in their reporting. However, for the purposes of this Compliance Requirement, the requirement only applies to subrecipients as defined under the Uniform Guidance and not beneficiaries.

Recipients should maintain documentation to support their determinations regarding whether an entity is a subrecipient, contractor, or beneficiary.

DEPARTMENT OF THE TREASURY**ASSISTANCE LISTING 21.020 COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS PROGRAM****I. PROGRAM OBJECTIVES**

The purpose of the Community Development Financial Institutions Program (CDFI Program) is to use federal resources to invest in, and build the capacity of, Community Development Financial Institutions (CDFIs) to help them serve low-income and underserved people and communities that lack access to affordable financial products and services.

II. PROGRAM PROCEDURES**A. Overview**

The CDFI Program is administered by the Community Development Financial Institutions Fund (CDFI Fund), Department of the Treasury. Through the CDFI Program, the CDFI Fund provides two types of monetary awards to CDFIs—Financial Assistance (FA) Awards and Technical Assistance (TA) Awards. In order to be eligible to apply for assistance, entities must meet, or propose to meet, specific CDFI eligibility criteria (12 CFR sections 1805.200 and 1805.201). CDFIs include, among others, entities such as banks, credit unions, depository institution holding companies, loan funds, and venture capital funds.

An organization must be a Certified CDFI when the Notice of Funds Availability (NOFA) is released in order to be eligible to apply for a FA Award through the CDFI Program. Organizations that are Emerging CDFIs or Sponsoring Entities may only apply for TA Awards.

1. CDFIs may use the funds to pursue a variety of goals, including:
 - a. Promoting economic development to develop businesses, create jobs, and develop commercial real estate;
 - b. Developing affordable housing and to promote homeownership; and
 - c. providing community development financial services, such as basic banking services, financial literacy programs, and alternatives to predatory lending.

B. Subprograms/Program Elements

The CDFI Fund provides FA and TA Awards to help certified and emerging CDFIs sustain and expand their services and build their technical capacity. FA and TA Awards are provided through a yearly competitive nationwide evaluation and selection process as referenced in the NOFA. The latest version of the CDFI Program Notice of Funding

Availability can be found on the CDFI Fund website at:

<https://www.cdfifund.gov/programs-training/programs/cdfi-program/apply-step>.

After selection, each CDFI Program Award Recipient enters into an Assistance Agreement, which includes Performance Goals and other terms and conditions. A template of the Assistance Agreement can be found on the CDFI Fund website at

https://www.cdfifund.gov/sites/cdfi/files/2022-01/FY2021_CDFIProgram_NACAProgram_FA_Assistance_Agreement_Template.pdf

Source of Governing Requirements

The CDFI Program is authorized by the Community Development Banking and Financial Institutions Act of 1994 Pub. L. No. 103-325, (September 23, 1994), codified at 12 CFR Part 1805.

Availability of Other Program Information

Additional information on the CDFI Program is available on the CDFI Fund website at <https://www.cdfifund.gov>. The link to the template for the Assistance Agreement can be found under Section II. Program Procedures, Section B. If there are specific questions regarding the programs, the CDFI Fund may be contacted via telephone at (202) 653-0421 or by e-mail at cdfihelp@cdfi.treas.gov.

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an “N.” See the Safe Harbor Status discussion in Part 1 for additional information.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment and Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement and Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	N	N	Y	N	Y	N	Y	N	N

A. Activities Allowed or Unallowed

Section 3.7 of the terms and conditions in the assistance agreement prescribes the specific authorized activities of FA awards for each CDFI Program award Recipient (12 CFR sections 1805.300 and 1805.301).

1. Activities Allowed

- a. Financial Assistance- The Recipient must use the Financial Assistance (including Base-FA, HFFI-FA, DF-FA, and PPCFA) to support its activities in the following areas:
 - (1) Financial Products (provided, however, HFFI-FA may not be used to fund loan purchases, loan refinancing, or any type of financing for prepared food outlets).
 - (2) Financial Services (Regulated Institutions only; HFFI-FA may not be used to provide Financial Services).
 - (3) (iii) Development Services.
 - (4) (iv) Loan Loss Reserves.
 - (5) (v) Capital Reserves (Regulated Institutions only; DF-FA may not be used for Capital Reserves).
 - (6) (vi) Direct Administrative Expenses.
 - (7) Financial Products (provided, however, HFFI-FA may not be used to fund loan purchases, loan refinancing, or any type of financing for prepared food outlets).
- b. Technical Assistance: The Recipient must use the Technical Assistance to support activities in the following areas:

- (1) Compensation (Personal Services);
 - (2) Compensation (Fringe);
 - (3) Training and Education;
 - (4) Travel;
 - (5) Professional Services;
 - (6) Equipment;
 - (7) Supplies; and
 - (8) Incorporation costs (Sponsoring Entities only).
- c. CDFI Program Award Recipients may not distribute assistance to an affiliate or subsidiary without the prior consent of the CDFI Fund (12 CFR section 1805.302(b)).

G. Matching, Level of Effort, Earmarking

1. Matching

- a. *Financial Assistance* – Each CDFI Program Award Recipient must match FA provided with an amount that is at least comparable in (1) form (e.g., grant, loan, deposit, and Equity Investment) to the type of FA provided by the CDFI Fund, and (2) value, on a dollar-for-dollar basis, to the FA provided by the CDFI Fund, unless waived by Congress in the appropriation for the program. Such match must come from sources other than the federal government and must consist of nonfederal funds. The applicable time frame for meeting the match is set forth in the NOFA published in the *Federal Register* for each funding round. The most recent NOFAs can be retrieved from the CDFI Fund’s website at <https://www.cdfifund.gov/programs-training/programs/cdfi-program/apply-step>.

The amount of FA disbursed by the CDFI Fund to a CDFI Program Award Recipient will not exceed the amount of match that the CDFI Program Award Recipient has in hand as codified in 12 CFR sections 1805.500. Matching Funds are In-Hand when the Applicant receives payment for the Matching Funds from the Matching Funds source (e.g., grant, loan, deposit, and Equity Investment).

- b. *Technical assistance* – There is no match requirement for TA Awards under the CDFI Program as codified in 12 CFR section 1805.303(d).

2. Level of Effort

Not Applicable

3. Earmarking

Not Applicable

L. Reporting**1. Financial Reporting**

- a. *SF-270, Request for Advance or Reimbursement* – Not Applicable
- b. *SF-271, Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable
- c. *SF-425, Federal Financial Report* – Not Applicable

2. Performance Reporting

Performance Progress Report (PPR) (OMB Control Number 1559-0036) – (12 CFR 1805) - Recipients submit the PPR in the Awards Management Information System (AMIS) database once a year, three (3) months after the Recipient's Period of Performance End Date. The PPR is used to determine if the Recipient is in compliance with the applicable Performance Goals and Measures in their Assistance Agreement. The PG&M's are specific to each Recipient's assistance agreement. Additional guidance for completing the compliance reports is available on the CDFI Fund website under the CDFI Program website on the [Compliance Resources and Reporting section](#) page in the [Annual Compliance Reports Performance Progress Report \(PPR\) and Financial Audit Statement Data Points](#) document starting on page 2. The Recipient has the ability to print copies of the PPR from its AMIS account if needed by the Auditor. The authoritative requirement for submission of the PPR is codified in 12 CFR 1805.803.

Recipients may request to revise a previously submitted report without it having an impact on their compliance status. The request should indicate the reason(s) for the revision(s) and the proposed changes. Revision requests should be submitted in a service request through the Recipients AMIS account. Once the PPR has been unlocked for revisions the Recipient has five (5) business days to make any necessary corrections and resubmit the report. Auditors can review the "Approval History" at the bottom of the PPR in AMIS to determine the report approval status. The Auditor will review the most recent version of the report available in AMIS.

Key Line Items - The following line item contains critical information (items not numbered in the report):

1. *Performance Goals and Measures (PG&M)* - The PG&M's identified are specific to each Recipient's assistance agreement and generally only include 2-3 PG&Ms. The data reported for the Period of Performance for each required PG&M should meet or exceed the required benchmarks as outlined in the assistance agreement.

Uses of Award Report (UOA) (OMB Control Number 1559-0032) – Recipients submit the UOA in the AMIS database once a year, three (3) months after the Recipients Period of Performance End Date. Additional guidance for completing the compliance reports is available on the CDFI Fund website under the CDFI Program website on the [Compliance Resources and Reporting section](#) page in the Uses of Award (UOA) Report Data Points Description and Related Guidance and Financial Audit Statement Data Points document starting on page 2. The authoritative requirement for submission of the UOA is codified in 12 CFR 1805.803.

Recipients may request to revise a previously submitted report without it having an impact on their compliance status. The request should indicate the reason(s) for the revision(s) and the proposed changes. Revision requests should be submitted in a service request through the Recipients AMIS account. Once the UOA has been unlocked for revisions the Recipient has five (5) business days to make any necessary corrections and resubmit the report. Auditors can review the "Approval History" at the bottom of the UOA in AMIS to determine the report approval status. The Auditor will review the most recent version of the report available in AMIS.

Key Line Items - The following line items contain critical information (items not numbered in the report):

1. Advances of FA Funds held in interest-bearing accounts.
2. Amount of interest earned.
3. Interest earned in excess of \$500 has been remitted to the Department of Health & Human Services.
4. Category of Activity - Total Dollar Amount – The total dollar amount of the activity expended during the Period of Performance.

Transaction Level Report (TLR) and Consumer Loan Report (CLR) (OMB Control Number 1559-0027) – The TLR is applicable to FA Award Recipients only. The CLR is applicable to banks and credit unions who are FA Award Recipients that originated consumer loans during the Period of Performance. Both reports are due 180 days after the Recipient's Period of Performance End Date. The reports are used to collect compliance and performance data and provide

transactional information on an organization's portfolio. The reports require reporting on newly originated loans and investments closed as of a Recipient's fiscal year end. The guidance for completing the reports can be found in the [CDFI TLR Data Point Guidance](#) available on the CDFI Fund website. The authoritative requirement for submission of the TLR/CLR is codified in 12 CFR 1805.803.

Recipients may request to revise a previously submitted report without it having an impact on their compliance status. The request should indicate the reason(s) for the revision(s) and the proposed changes. Revision requests should be submitted in a service request through the Recipients AMIS account. Once the TLR has been unlocked for revisions the Recipient has five (5) business days to make any necessary corrections and resubmit the report. Auditors can review the "Approval History" at the bottom of the TLR in AMIS to determine the report approval status. The Auditor will review the most recent version of the report available in AMIS.

Key Line Items for the TLR - The following line items contain critical information:

1. Column C - TLR Submission Year – Submission year is the current data year.
2. Column D - Date Originated – Reporting date is within the reporting period.
3. Column E - Original Loan/Investment Amount –.
4. Column I - Interest Rate .
5. Column K - Points .
6. Column L - Origination Fees .
7. Column O - Term .
8. Column AH - Annual Gross Revenue from Business Operations at Time of Loan/Investment Origination .

Key Line Items for the CLR - The following line items contain critical information:

1. Column E - Total Originated Amount the ratio of the total amount and the total number is equal to 1.
2. Column F - Total Originated Number –the ratio of the total amount and the total number is equal to 1.

3. Column B - Fiscal Year – Reported value is equal to the value of the current data year.

3. Special Reporting

Not Applicable

4. Special Reporting for Federal Funding Accountability and Transparency Act

See Part 3.L for audit guidance.

IV. OTHER INFORMATION

Recipients that received assistance in the form of a loan are required to submit both performance and financial reports for the Period of Performance designated in the assistance agreement.

However, this does not relieve the borrower of the requirement to file financial reports on these loans or otherwise comply with program requirements until the loan is repaid to the CDFI Fund.

For-profit recipients of this funding are not subject to audit under the [*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*](#).

DEPARTMENT OF THE TREASURY**ASSISTANCE LISTING 21.023 EMERGENCY RENTAL ASSISTANCE PROGRAM****I. PROGRAM OBJECTIVES**

Note: This program is considered a “higher risk” program for 2023, pursuant to 2 CFR section 200.519(c)(2). Refer to the “Programs with Higher Risk Designation” section of Part 8, Appendix IV, Internal Reference Tables, for a discussion of the impact of the “higher risk” designation on the major program determination process.

Two pieces of legislation authorized funding for Emergency Rental Assistance. The authorizations include some different legal requirements. Therefore, this Compliance Supplement addresses the requirements as “ERA 1” and “ERA 2.” ERA 1 was authorized by Division N, Title V, Section 501 of the Consolidated Appropriations Act, 2021 (the Act), Pub. L. No. 116-260 (December 27, 2020), codified at 15 USC 9058a. ERA 2 was authorized by Title III, Subtitle B, Section 3201 of the American Rescue Plan Act (ARPA), 2021, Pub. L. No. 117-2 (March 11, 2021), codified at 15 USC 9058c. Both ERA 1 and ERA 2 funding is defined as “other financial assistance” per 2 CFR Part 200.1 and both ERA 1 and ERA 2 are administered by Treasury as direct payments for specified use.

The purpose of ERA is to provide direct payments to eligible entities to assist eligible households with financial assistance and to provide housing stability services and, in the case of ERA 2 as applicable, to cover the costs for other affordable rental housing and eviction prevention activities. ERA grantees may provide assistance directly to eligible landlords and utility providers on behalf of an eligible household or directly to an eligible household (See 15 USC 9058a(c)(2)(C)(i) and FAQ 12 for more detail on landlords and utility provider participation in the program). Financial assistance for eligible households may include payment of rent, rental arrears, utilities and home energy costs, utilities and home energy costs arrears, and other expenses related to housing. ERA grantees may also use funds to provide housing stability services as authorized by the respective statutes.

II. PROGRAM PROCEDURES**A. Overview**

ERA 1 provided \$25 billion for the US Department of the Treasury (Treasury) to make payments to States (defined to include the District of Columbia), US territories (Puerto Rico, US Virgin Islands, Guam, Northern Mariana Islands, and American Samoa), Indian tribes or their tribally designated housing entities, as applicable, the Department of Hawaiian Home Lands, and certain local governments with more than 200,000 residents. These entities are collectively referred to as “eligible grantees” or “ERA 1 grantees.” ERA 1 award funds may be used to provide financial assistance and housing stability services to eligible households. All ERA 1 grantees that submitted the requested documentation to Treasury and executed a financial assistance agreement received their total ERA 1 award funds in one payment.

ERA 2 provided \$21.55 billion for Treasury to make payments to States (defined to include the District of Columbia), US Territories (Puerto Rico, US Virgin Islands, Guam, Northern Mariana Islands, and American Samoa), and local governments with more than 200,000 residents. These entities are collectively referred to as “eligible grantees” or “ERA 2 grantees.” ERA 2 award funds may be used to assist eligible households with financial assistance and to provide housing stability services and, as applicable, to cover the costs for other affordable rental housing and eviction prevention activities.

Pursuant to 15 USC 9058c (c)(1), Treasury made initial payments of 40 percent of an eligible grantee’s total award amount to each grantee under ERA 2 that submitted the required documentation and executed the financial assistance agreement. Through February 2022, Treasury made payments of the remaining 60 percent of ERA 2 grantees’ award funds after they certified that at least 75 percent of the initial ERA 2 payment had been obligated pursuant to 15 USC 9058c(c)(2). Beginning in February 2022, Treasury altered its ERA 2 payment tranche policy to allow grantees to receive the remainder of their ERA 2 award funds in two payments (half of the remaining balance, followed by the remaining balance), subject to potential reductions resulting from the implementation of a statutory reallocation requirement with each tranche payment only made after grantees certified that they have obligated at least 75 percent of the funds already disbursed pursuant to 15 USC 9058c(c)(2).

Additional information on statutory differences between ERA 1 and ERA 2 are described in the Emergency Rental Assistance Frequently Asked Questions (FAQs) posted [at: https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/faqs](https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/faqs).

15 USC 9058a(b)(1)(A) directs Treasury to use US Census Bureau data for the most recent year for which data is available for population calculations for determining the populations of state and local governments. Funds are distributed via a per capita formula allocation detailed on Treasury.gov that considers the minimum allocation of \$200 million for states and the District of Columbia. Allocation amounts can be found via the following link: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/allocations-and-payments>.

Source of Governing Requirements

Emergency Rental Assistance (“ERA 1”), Division N, Title V, Section 501 of the Consolidated appropriations Act, 2021, Pub. L. No. 116-260 (December 27, 2020) and codified as 15 USC 9058a.

Emergency Rental Assistance (“ERA 2”), Title III, Subtitle B, Section 3201 of the American Rescue Plan Act, 2021, Pub. L. No. 117-2 (March 11, 2021) codified as 15 USC 9058c.

Section 15011 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Pub. L. No. 116-136), codified by 15 USC 9058a, as amended by Title VIII, Section 801(b) of

the Consolidated Appropriations Act, 2021 (Pub. L. No. 116-260), codified at 15 USC 9058c, on December 27, 2020.

Treasury's Frequently Asked Questions (FAQs) and related guidance available on Treasury.gov, including important version changes over time that can be found on the ERA website.

Availability of Other Program Information

1. General information for ERA is available on Treasury's website at www.treasury.gov/ERA. Information includes the following documents:
 - a. ERA 1 authorizing statute: <https://www.govinfo.gov/content/pkg/PLAW-116publ260/pdf/PLAW-116publ260.pdf> (See pages 889 - 899)

This document details information that is contained in the authorizing statute including funds appropriated for ERA 1.
 - b. ERA 2 authorizing statute: <https://www.govinfo.gov/content/pkg/PLAW-117publ2/pdf/PLAW-117publ2.pdf> (See pages 52 - 56)

This document details information that is contained in the authorizing statute including funds appropriated for ERA 2.
 - c. 15 USC 9058a(g)(1) regarding ERA 1 reporting: <https://www.govinfo.gov/content/pkg/PLAW-116publ136/pdf/PLAW-116publ136.pdf> (See pages 260 - 262)

This document provides information on grantee reporting the use of funds.
 - d. ERA 1 Award Terms template: <https://home.treasury.gov/system/files/136/Emergency-rental-assistance-terms-FINAL.pdf> (See pages 1 - 5)

This document provides award terms as a condition to the receipt of payment from Treasury for ERA 1.
 - e. ERA 2 Award Terms template: https://home.treasury.gov/system/files/136/ERA2_Granttee_Award_Terms_572021.pdf (See pages 1 - 5)

This document provides award terms as a condition to the receipt of payment from Treasury for ERA 2.
 - f. Treasury's ERA Frequently Asked Questions (FAQs) and guidance are available at: <https://home.treasury.gov/system/files?file=136/ERA-FAQ-7.27.22.pdf> (See pages 1-18)

Treasury released FAQs as guidance regarding ERA 1 and ERA 2 except where differences are specifically noted.

- g. Treasury's ERA 1 Reallocation guidance:
<https://home.treasury.gov/system/files/136/UpdatedERA1ReallocationGuidanceSep6.pdf> (See pages 1 - 8)

The ERA 1 statute requires Treasury to identify “excess funds” for reallocation from amounts Grantees have “not obligated” from their initial ERA 1 allocations.

- h. Treasury's ERA 2 Reallocation guidance:
<https://home.treasury.gov/system/files/136/ERA2-Reallocation-Guidance-March-30-2022.pdf> (See pages 1 - 6)

The ERA 2 statute requires Treasury to identify funds for reallocation from amounts allocated to eligible Grantees, but not yet paid out to them.

- i. ERA Compliance and Reporting guidance:
<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/reporting> (See web page)

Treasury instituted a webpage that provides information and guidance on quarterly reporting and compliance.

- j. Guidance from the Treasury Office of Inspector General (OIG) related to the reporting of ERA fraud, waste, and abuse and any future monitoring of funds requirements (where applicable): <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/fraud> (See web page)

Treasury OIG provided guidance to grantees on what to do if they suspect fraud, waste, and abuse.

- a. ERA Promising Practices guidance: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/promising-practices> (See web page)

- 2. Treasury has engaged with ERA grantees across the country to identify program strategies that promise to speed up program implementation, more efficiently deliver program benefits, enhance program integrity, and improve tenant and landlord access to programs.

- a. ERA Program and Service Design guidance:
<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/service-design> (See web page)

Treasury provided guidance on consideration for good program design and delivery.

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an “N.” See the Safe Harbor Status discussion in Part 1 for additional information.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment and Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement and Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	Y	N	N	Y	N	N	Y	Y	Y

A. Activities Allowed or Unallowed

1. Activities Allowed

- a. ERA 1 and ERA 2 funds may be used for administrative expenses, housing stability services, and financial assistance on behalf of an eligible household, as defined in the Treasury guidance. In the case of ERA 2, after October 2022, grantees that have obligated 75 percent of their allocations may choose to use up to 25 percent of their allocation for, “other affordable rental housing and eviction prevention purposes, as defined by the Secretary, serving very low-income families.” Treasury released guidance for these additional uses as FAQ 46 in July 2022.

Where applicable, the final ERA 1 payment amount distributed by Treasury to the ERA 1 grantee through an ERA 1 “redirect” and/or “reallocation” process, pursuant to Treasury’s Reallocation Guidance, is described on [Treasury.gov](https://www.treasury.gov). If a grantee receives redirected or reallocated funds, the funds are subject to the same requirements under the ERA 1 Award Terms previously accepted by the grantee in connection with their ERA 1 award with the addition that grantees receiving reallocated ERA 1 funds may request from Treasury an extension of their final obligation date from September 30, 2022, to December 29, 2022. Please see the ERA page at [Treasury.gov](https://www.treasury.gov) and [ERA FAQs](#) for the latest guidance regarding eligible uses under ERA 1 and ERA 2. (See FAQs 1, 4-7, 16-20, 26-28, 35 and 39-42)

- b. **Administrative Expenses:** The revised Award Terms for ERA 1 and ERA 2 awards issued by Treasury permits ERA grantees to use award funds provided to cover both direct and indirect administrative costs. The cost of a grantee contacting a landlord to encourage their participation and acceptance of ERA assistance is one of many examples of an eligible administrative cost. Under ERA 1, a grantee may use up to 10 percent of the total award amount for direct and indirect administrative costs and may use up to 10 percent of the total award amount for housing stability services. Under ERA 2, a grantee may use up to 15 percent of the total award amount for direct and indirect administrative costs and may use up to 10 percent of the total award amount for housing stability services as described below (See also FAQ 29).
- c. **Housing Stability Services:** Under ERA 1, housing stability services includes case management and other services related to the COVID-19 outbreak intended to help keep households stably housed. Under ERA 2, housing stability services do not have to be related to the COVID-19 outbreak. For ERA 1 and ERA 2, housing stability services include those that enable households to maintain or obtain housing. Such services may include, among other things, eviction prevention and eviction diversion programs; mediation between landlords and tenants; housing counseling; fair housing counseling; housing navigators or promotoras that help households access programs or find housing; case management related to housing stability; housing-related services for survivors of domestic abuse or human trafficking; legal services or attorney’s fees related to eviction proceedings and maintaining housing stability; and specialized services for individuals with disabilities or seniors that support their ability to access or maintain housing (See FAQ 23).
- d. **Financial Assistance:** Financial assistance to households includes payment of rent, rental arrears, utilities and home energy costs, utility and home energy costs arrears, and other expenses related to housing pursuant to 15

USC 9058a(c)(2)(A). Please note that under the ERA 1 program, award funds used for “other expenses” must be related to housing and “incurred due, directly or indirectly, to the novel coronavirus disease (COVID-19) outbreak” (See 15 USC 9058a(c)(2)(A)(v)). However, the ERA 2 statute requires that “other expenses” be “related to housing” but does not require that they be incurred due to the COVID-19 outbreak (See 15 USC 9058a(d)(1)(A)(V)). The amount of financial assistance for prospective rent cannot exceed three months under a single household application (See FAQ 10). There is no maximum dollar amount for the cumulative financial assistance that may be provided on behalf of an eligible household beyond the requirements set forth in the ERA FAQs. These requirements include that amounts paid be based on documentation of household income, leases, and equivalent forms (or for applicants unable to present adequate documentation, a written attestation from the applicant up to a monthly maximum of 100 percent of the greater of the Fair Market Rent or the Small Area Fair Market Rent for the area in which the applicant resides) and that the amount of assistance provided to any household under ERA 1 and ERA 2, including assistance provided by other ERA 1 and ERA 2 grantees cannot exceed 18 months (See FAQ 10).

Financial assistance arrears may only cover household expenses accrued on or after March 13, 2020, up to a maximum of 15 months for ERA 1 and a maximum of 18 months, under ERA 1 and ERA 2 combined. For prospective rent assistance greater than three months up to the statutory maximum of 18 months under ERA 1 and ERA 2, the household must apply to the program again and the grantee must have sufficient funds. Households may receive up to 12 months of assistance under ERA 1 and an additional three months if necessary to ensure housing stability for the household for a total of three months. This means that for ERA 1, the maximum rental arrears monthly coverage period, where applicable, is 15 months where necessary for housing stability and households may only receive up to three months of prospective rent, where applicable and qualifying (See FAQ 10).

Examples of other costs for both ERA 1 and ERA 2 include relocation expenses (including prospective relocation expenses), rental security deposits, rental fees including application and screening fees, reasonable accrued late fees, Internet service to a given rental unit, and rental bonds where necessary to avoid an eviction order, as provided in the Treasury guidance and subject to certain conditions (for example, that Internet service expenses are eligible only if grantees establish policies governing the appropriate of use for this purpose).

- e. Other Affordable Rental Housing and Eviction Prevention Purposes: Treasury released FAQ 46 on July 2022 to define these uses.

B. Allowable Costs / Cost Principles

The cost principles in 2 CFR Part 200, Subpart E (Cost Principles) except the 2 CFR 200.418 and 2 CFR 200.419 apply to ERA 1 and ERA 2. Under ERA 1, a grantee may use up to 10 percent of the total award amount for direct and indirect administrative costs. Under ERA 2, a grantee may use up to 15 percent of the total award amount for direct and indirect administrative costs (See [FAQ 29](#)).

E. Eligibility

1. Eligibility for Individuals

To ensure eligibility requirements are met, household eligibility should be tested to focus on whether grantees established and adhered to reasonable policies for evaluating household applications within Treasury's framework providing for the use of self-attestation, categorical eligibility, and fact-specific proxies in qualifying circumstances. Specific eligibility requirement can be found in FAQ 1 at <https://home.treasury.gov/system/files?file=136/ERA-FAQ-7.27.22.pdf>.

This approach to eligibility was implemented in accordance with 15 USC 9058a, for ERA 1 in 15 USC 9058a(c)(2)(C)(ii) concerning documentation of payments to households, 15 USC 9058a(f)(2)(A) and (B) of the Act concerning signature requirements for applications and documentation required for tenants, 15 USC 9058a (k)(1) concerning area median income determinations, and 15 USC 9058a (k)(3)(A)(I) and (II) concerning eligible household determinations and attestation requirements. This treatment is further explained in the ERA FAQs; 15 USC 9058a; and the Treasury, Department of Justice and Department of Housing and Urban Development joint letter issued August 27, 2021 (<https://home.treasury.gov/system/files/136/Eviction-Moratorium-Joint-Letter.pdf>).

To the extent that a grantee has established and consistently followed its own reasonable procedures for implementing an eligibility determination process, consistent with Treasury's guidance, it is not Treasury's expectation that grantees should seek additional documentation from a beneficiary after the initial determination of eligibility has been completed, including for those determined to be eligible using self-attestation, categorical eligibility, or fact-specific proxies in qualifying circumstances. Testing of individual household eligibility-related documentation should be limited to material already collected by the grantee during application as much as possible to avoid imposing undue burden on households that remain at risk of housing instability.

Treasury guidance related to determining where an applicant lives and the amount that they owe can be found in FAQ 5 <https://home.treasury.gov/system/files?file=136/ERA-FAQ-7.27.22.pdf>. Grantees must obtain, if available, a current lease, signed by the applicant and the landlord

or sublessor, that identifies the unit where the applicant resides and establishes the rental payment amount. If a household does not have a signed lease, documentation of residence may include evidence of paying utilities for the residential unit, an attestation by a landlord who can be identified as the verified owner or management agent of the unit, or other reasonable documentation as determined by the grantee. In the absence of a signed lease, evidence of the amount of a rental payment may include bank statements, check stubs, or other documentation that reasonably establishes a pattern of paying rent, a written attestation by a landlord who can be verified as the legitimate owner or management agent of the unit, or other reasonable documentation as defined by the grantee in its policies and procedures.

Additional Treasury guidance related to income determination can be found in FAQ 4 and related guidance (<https://home.treasury.gov/system/files?file=136/ERA-FAQ-7.27.22.pdf>). ERA 2 builds on the eligibility criteria in ERA 1 and permits additional flexibilities.

The ERA FAQs document the full eligibility considerations for grantees to extend emergency assistance to vulnerable populations without imposing undue documentation burdens. As described, given the challenges presented by the COVID-19 pandemic, grantees may be flexible as to the particular form of documentation they require, including by permitting photocopies or digital photographs of documents, e-mails, or attestations from employers, landlords, caseworkers, or others with knowledge of the household's circumstances. Grantees must require all applications for assistance to include an attestation from the applicant household that all information included is correct and complete. In all cases, grantees must document their policies and procedures for determining household eligibility to include policies and procedures for determining the prioritization of households in compliance with the statute and maintain records of their determinations.

Grantees may rely on a written attestation without further documentation of household income from the applicant under three approaches:

- a. Self-attestation Alone – In order to provide assistance rapidly during the public health emergency related to COVID-19, the grantee may rely on a self-attestation of household income, financial hardship, and/or risk of homelessness and housing instability without further verification if the applicant confirms in their application or other document that they are unable to provide documentation, provided the other requirements detailed in Treasury guidance are satisfied. If an applicant is able to provide satisfactory evidence of residence but is unable to present adequate documentation of the amount of the rental obligation, grantees may accept a written attestation from the applicant to support the payment of assistance up to a monthly maximum of 100 percent of the greater of the Fair Market Rent or the Small Area Fair Market Rent for the area in which

the applicant resides, as most recently determined by HUD and made available at <https://www.huduser.gov/portal/datasets/fmr.html>;

- b. **Categorical Eligibility** – If an applicant household income has been verified to be at or below 80 percent of the area median income (for ERA 1) or if an applicant household has been verified as a low-income family as defined in Section 3(b) of the United States Housing Act of 1937 (42 USC 1437a(b)) (for ERA 2) in connection with another local, state, or federal government assistance program, grantees are permitted to rely on a determination letter from the government agency that verified the applicant’s household income or status as a low-income family, provided that the determination for such program was made on or after January 1, 2020; and/or
- c. **Fact-specific proxy** – A grantee may rely on a written attestation from the applicant household as to household income if the grantee also uses any reasonable fact-specific proxy for household income, such as reliance on data regarding average incomes in the household’s geographic area. Grantees also have discretion to provide waivers or exceptions to this documentation requirement to accommodate disabilities, extenuating circumstances related to the pandemic, or a lack of technological access. In these cases, the grantee is still responsible for making the required determination regarding the applicant’s household income and documenting that determination.

Grantees have discretion to provide waivers or exceptions to certain documentation requirements to accommodate disabilities, extenuating circumstances related to the pandemic, or a lack of technological access. In these cases, the grantee is still responsible for making the required determination regarding the applicant’s household income and documenting that determination. Pursuant to 15 USC 9058a(k)(3)(B), and 2 CFR 200.403, when providing ERA 1 assistance, the grantee must review the household’s income and sources of assistance to confirm that the ERA 1 assistance does not duplicate any other assistance, including federal, state, or local assistance provided for the same costs. Grantees may rely on an attestation from the applicant regarding non-duplication with other government assistance, and the duplication requirement does not apply to ERA 2; however, to maximize program efficacy, Treasury encourages grantees to minimize the provision of duplicative assistance.

Treasury strongly encourages grantees to rely on the self-certification of applicants with regard to whether their financial hardship meet statutory eligibility requirements. Similarly, with respect to determining whether one or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability, Treasury indicates that a grantee may rely on a past due utility or rent notice or eviction notice, evidence of unsafe or unhealthy living conditions (which may include overcrowding) or any other evidence of

risk, as determined by the grantee. Treasury clearly indicates that a grantee may rely on an applicant's self-certification identifying the applicable risk factor or factors, without further documentation, if other documentation is not immediately available.

After October 2022, grantees that have obligated 75 percent of their allocations may choose to use up to 25 percent of their allocation for, "other affordable rental housing and eviction prevention purposes, as defined by the Secretary, serving very low-income families." Treasury released guidance for these additional uses as FAQ 46 in July 2022 -

See <https://home.treasury.gov/system/files?file=136/ERA-FAQ-7.27.22.pdf>. In summary, eviction prevention purposes are those previously defined as housing stability uses. For affordable housing, the eligible uses include operation or development of affordable housing that utilizes another federal grant program for affordable housing development and has a 20 year affordability covenant.

2. Eligibility for Groups of Individuals or Area of Service Delivery

Not Applicable

3. Eligibility for Subrecipients

Not Applicable

H. Period of Performance

Under 15 USC 9058a(e)(1), the period of performance for ERA 1 awards began on the date that the grantee executed the ERA 1 Award Terms and ended on December 31, 2021. 15 USC 9058a(h) extended the award period of performance from December 31, 2021, to September 30, 2022. Pursuant to 15 USC 9058a(e)(2), Treasury extended the award period of performance to end on December 29, 2022 for ERA 1 grantees that receive reallocated funds.

Under 15 USC 9058c(g), the period of performance for ERA 2 awards begins on the date that Treasury and the grantee executed the ERA 2 Award Terms and ends on September 30, 2025. All award funds not obligated or expended by the end of the period of performance date for ERA 1 and ERA 2 awards must be returned to Treasury as part of the award closeout process pursuant to 2 CFR 200.344(d), including amounts distributed through redirection and reallocation. See also the ERA 1 Closeout Resource at

https://home.treasury.gov/system/files/136/ERACloseoutResource_Final_9.16.22.pdf.

L. Reporting

1. Financial Reporting

- a. *SF-270, Request for Advance or Reimbursement* – Not Applicable

- b. *SF-271, Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable
- c. *SF-425, Federal Financial Report* – Applicable

2. Performance Reporting

Title of Report: ERA Compliance Report

PRA Number: 1505-0266 (ERA 1) and 1505-0270 (ERA 2)

Reporting Cycle: Quarterly

Authoritative Requirement: 15 USC 9058c; 2 CFR 200.328 (Financial report); and 2 CFR 200.329 (Performance report)

Blank Copy of the Report: <https://home.treasury.gov/system/files/136/ERA-Treasury-Portal-User-Guide-v2.pdf> (see figures 3-7 for screenshots of user guide)

Report Instructions: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/reporting>

Report Corrections: The Office of Recovery Program's (ORP) reporting portal has built-in functionality to reopen a report and allow recipients to make edits after the reporting deadline. However, it is ORP's policy that recipients may only make revisions if authorized by Treasury staff for a period of up to 60 days after the reporting deadline. After the revision period ends, the report is final. A resubmitted report becomes a recipient's final report within ORP's reporting portal. Recipients can generate PDFs of these reports at any time.

Key Line Items-

1. *Administrative Costs Ratio-* Quantifiable Objective Criteria: Total obligations and/or expenditures for administrative costs does not exceed the relevant threshold of total allocation (10% across the prime and all subrecipients for ERA 1, not to exceed 15% for ERA 2 across the prime and all subrecipients)
(See [ERA Reporting Guidance](#), Appendix 7, Applicable Limitations on Administrative Expenses, page 52)
2. *Housing Stability Services Ratio-* Quantifiable Objective Criteria: Total obligations and/or expenditures for housing stability services is not greater than 10% of the total amount allocated (See ERA Reporting Guidance, Appendix 7, Applicable Limitations on Administrative Expenses, page 52). Examples of these services can be found as item 23 on ages 12 and 13 of the July 27, 2022 FAQs located at <https://home.treasury.gov/system/files?file=136/ERA-FAQ-7.27.22.pdf>.
3. *System for Prioritizing Assistance-* Quantifiable Objective Criteria: The number of households with less than 50% Area Median Income (AMI) receiving financial assistance is greater than the number of households

with greater than 50% AMI receiving assistance (See ERA Reporting Guidance, Section E, Number of Unique Participant Households at Certain Income Levels, page 27)

4. *Participant Households at Certain Income Levels Eligibility*- Quantifiable Objective Criteria: The total households receiving assistance is not greater than the sum of Area Median Income (AMI) banded eligible households with a 5 to 10% margin of error to avoid false positives for medium to large recipients. Treasury is aware of some limited temporary income data availability and reporting lag due to waterfall distribution models required within the statutory design framework and related administrative processing delays, as well as the use of fact-based proxies or assistance based on participation in other programs. Does not apply to tribal recipients exempt from income reporting according to Treasury guidance and policy (See ERA Reporting Guidance, Section E, Number of Unique Participant Households at Certain Income Levels, page 27)

3. **Special Reporting**

Not applicable

4. **Special Reporting for Federal Funding Accountability and Transparency Act**

Although reporting on subaward information is applicable to ERA grantees pursuant to the award term set forth in Appendix A to 2 CFR Part 170, which is incorporated by reference in the ERA 1 and ERA 2 Award Terms, ERA grantees' compliance with these reporting requirements is not subject to audit.

M. **Subrecipient Monitoring**

See Part 3, Section M, "Subrecipient Monitoring" for a general description of the compliance requirements, the related audit objectives, and suggested audit procedures.

N. **Special Tests and Provisions**

1. **ERA 1 Funds Redirection**

Compliance Requirements

Pursuant to 15 USC 9058a(b)(1)(A) and Treasury's implementing instructions to requesting grantees, grantees are permitted to redirect ERA 1 funds when a locality receives an ERA 1 award and subsequently transfers 100 percent of the ERA 1 award funds received from Treasury to its eligible state and Treasury approves the transaction. The redirection of award funds is finalized when the locality has submitted the relevant redirection documentation to Treasury and Treasury has provided confirmation of acceptance. At that time, the locality's ERA 1 award is cancelled, and the locality has no further legal obligation to Treasury under the ERA 1 award.

Audit Objectives

The state's ERA 1 award is modified by the amount of the funds transferred from the local government to the state and the state is responsible as the grantee for reporting on the use of the transferred award funds that become subject to the requirements set forth in the Award Terms previously accepted by the state in connection with its ERA 1 award. A local government that has redirected 100 percent of its ERA 1 award funds to its state but has not submitted the relevant redirection documentation to Treasury or is still awaiting confirmation of acceptance of submitted documentation by Treasury, is still responsible for complying with the ERA 1 Award Terms, including submitting Monthly and Quarterly reports until their redirection forms were submitted and accepted by Treasury.

Suggested Audit Procedures

- (1) All voluntarily redirected ERA 1 award funds were approved by the grantee's authorizing official in accordance with Treasury guidance;
- (2) All redirected ERA 1 award funds were deposited to the official, authorized bank account of the receiving grantee, as approved by Treasury; and
- (3) All ERA 1 award funds received through the redirection process are used in accordance with the ERA 1 Award Terms.

2. ERA Funds Reallocation

Compliance Requirements

Pursuant to 15 USC 9058a(d), Treasury is required to reallocate "excess" ERA 1 award funds. Treasury's objective in reallocations is to ensure ERA 1 award funds remain available to grantees in accordance with their jurisdictional needs and demonstrated capacity to deliver assistance while the ERA appropriations remain available. Treasury's ERA 1 reallocation guidance on Treasury.gov and previewed [here](#) describes how grantees that have expenditure ratios below designated thresholds as of September 30, 2021, were subject to involuntary recapture, in the absence of mitigating actions, requiring the grantee to return funds to Treasury within the provided timeframes. Treasury continues to periodically assess expenditures using escalating expenditure benchmarks to identify excess funds. For the first assessment using data as of September 30, 2021, grantees could mitigate the impact of recapture by submitting a certification that the grantee's financial assistance activity had since increased to a level beyond the minimum threshold, committing to a voluntary reallocation, or by providing a Performance Improvement Plan. Treasury's reallocation guidance on Treasury.gov will continue to detail specific ERA reallocation timelines. The guidance also describes the voluntary reallocation process through which a grantee may request that Treasury reallocate its ERA 1 award funds to other ERA 1 grantees in the same state. Treasury is not recapturing funds from

Indian Tribes or Tribally Designated Housing Entities (TDHEs) prior to the end of the second quarter of 2022, except where a Tribal grantee, its TDHE, or housing authority voluntarily return funds to Treasury. Auditors should refer to the ERA 1 reallocation guidance at www.treasury.gov/era. Guidance for ERA 2 reallocation can also be found on this site.

Updated information regarding ERA 2 reallocation was posted as an update to Reallocation Guidance in March 2022.

Audit Objectives

The reallocation expenditure ratio determines whether the grantee is subject to involuntary reallocation due to an insufficient ratio and the amount of excess funds subject to recapture by Treasury. Auditors should confirm the amounts reported as expended and obligated accurately capture the grantee's housing activity at the time of submission, as reflected in a grantee's award and/or financial systems, and that grantees receiving reallocated funds met the Treasury criteria.

Suggested Audit Procedures

- a. Confirm that financial information certified by grantees used by Treasury to make reallocation determinations is accurate and that excess funds that are subject to involuntary recapture are returned to Treasury in accordance with Treasury's confirmation letter.
- b. Financial information certified as part of reallocation includes monthly expenditure and cumulative obligations levels, as described in the Treasury reallocation guidance.
- c. ERA 1 expenditures reported monthly by the grantee are inputs to Treasury's reallocation expenditure ratio.
- d. ERA 1 obligations certified in the Request for Reallocated Funds form (1505-0266), including in the Request for Voluntarily Reallocated Funds, are inputs into determining eligibility to receive reallocated funds.
- e. ERA 2 expenditures and obligations reported in quarterly reports by the grantee are inputs to Treasury's ERA 2 reallocation expenditure and obligation ratios.

DEPARTMENT OF THE TREASURY**ASSISTANCE LISTING 21.024 COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS RAPID RESPONSE PROGRAM****I. PROGRAM OBJECTIVES**

The purpose of the Community Development Financial Institutions Rapid Response Program (CDFI RRP) is to quickly deploy COVID-19 relief capital to Certified CDFIs. Funding awarded to CDFIs is being used to help distressed and underserved communities respond to the economic impacts of COVID-19 pandemic.

II. PROGRAM PROCEDURES**A. Overview**

The CDFI RRP is administered by the Community Development Financial Institutions Fund (CDFI Fund), Department of the Treasury. Through the CDFI RRP, the CDFI Fund provided awards to support, prepare for, and respond to the economic impact of the COVID-19 pandemic. In order to be eligible to apply for CDFI RRP, entities must have met, or proposed to meet, specific CDFI eligibility criteria (12 CFR sections 1805.200 and 1805.201). CDFIs include entities such as banks, credit unions, depository institution holding companies, loan funds, and venture capital funds, among others.

In order to be eligible to apply for an award through the CDFI RRP, an organization must have been a Certified CDFI when the [Notice of Funds Availability](#) (NOFA) was released.

Through the CDFI RRP, CDFIs may use CDFI RRP grant funds for five categories of eligible activities supporting the provision of financial products and services. The five categories of eligible activities include: financial products, financial services, loan loss reserves, development service and capital reserves

In addition, CDFIs cannot expend more than \$200,000 or 15% of the grant award amount for seven categories of eligible activities supporting operations: Compensation—Personal Services, Compensation—Fringe Benefits, Professional Service Costs, Travel Costs, Training and Education Costs, Equipment, and Supplies. CDFIs may use the grants to support a variety of eligible lines of business: Commercial Real Estate, Small Business, Microenterprise, Community Facilities, Consumer Financial Products, Consumer Financial Services, Commercial Financial Services, Commercial Financial Products, Affordable Housing, and Intermediary Lending to Nonprofits and CDFIs.

B. Subprograms/Program Elements

The CDFI RRP was a formula-based grant program designed to provide awards to all eligible applicants as referenced in the NOFA. The latest version of the RRP NOFA can be found on the CDFI Fund website at: https://www.cdfifund.gov/sites/cdfi/files/2021-04/FY21_CDFI_RRP_NOFA_2021_04034.pdf.

After selection of an award, each CDFI RRP award recipient entered into an assistance agreement, which includes performance goals and other terms and conditions. A template of the Assistance Agreement can be found on the CDFI Fund website at:

https://www.cdfifund.gov/sites/cdfi/files/2021-06/CDFI_RRP_Assistance_Agreement_6.16.21_updated.pdf.

Source of Governing Requirements

The CDFI RRP is authorized by the Consolidated Appropriations Act, 2021 Pub. L. 116–260, (December 27, 2020), codified at 12 CFR Parts 1805 and 1815.

Note: All capitalized terms used herein but not defined have such definitions as specified in the [CDFI Program’s Interim Rule](#), NOFA, or applicable assistance agreement.

Availability of Other Program Information

Additional information on CDFI RRP is available on the CDFI Fund website at <https://www.cdfifund.gov/programs-training/programs/rrp>.

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an “N.” See the Safe Harbor Status Discussion in Part 1 for additional information.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment and Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement and Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	N	N	N	N	N	N	Y	N	N

A. Activities Allowed or Unallowed

Section 3.7 of the terms and conditions in the assistance agreement prescribes the specific authorized activities of FA awards for each RRP Program award Recipient (12 CFR sections 1805.300 and 1805.301).

1. Activities Allowed

- a. Financial Assistance- The Recipient must use the Financial Assistance to support its activities in the following areas.
 - (1) Financial Products in an Eligible Market(s) and/or the Recipient's approved Target Market;
 - (2) Financial Services (Regulated Institutions only) in an Eligible Market(s) and/or the Recipient's approved Target Market;
 - (3) Development Services in an Eligible Market(s) and/or the Recipient's approved Target Market;
 - (4) Loan Loss Reserves in an Eligible Market(s) and/or the Recipient's approved Target Market;
 - (5) Capital Reserves (Regulated Institutions only);
 - (6) Compensation (Personal Services);
 - (7) Compensation (Fringe Benefits);
 - (8) Training and Education;
 - (9) Travel;
 - (10) Professional Services;
 - (11) Equipment; and
 - (12) Supplies.

2. Activities Unallowed

- a. CDFI RRP Award Recipients may not distribute assistance to an affiliate or a subsidiary without the prior consent of the CDFI Fund. This requirement is also codified in 12 CFR section 1805.302(b).

L. Reporting

1. Financial Reporting

- a. *SF-270, Request for Advance or Reimbursement* – Not Applicable

- b. *SF-271, Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable
- c. *SF-425, Federal Financial Report* – Not Applicable

2. Performance Reporting

Performance Progress Report (PPR) (OMB Control Number 1559-0036) – (12 CFR 1805) - Recipients submit the PPR in the Awards Management Information System (AMIS) database once a year, three (3) months after the Recipient's Period of Performance End Date. The PPR is used to determine if the Recipient is in compliance with the applicable Performance Goals and Measures in their Assistance Agreement. The PG&M are specific to each Recipient's assistance agreement. Additional guidance for completing the compliance reports is available on the CDFI Fund website under the CDFI Program website on the [Compliance Resources and Reporting section](#) page in the [Annual Compliance Reports Performance Progress Report \(PPR\) and Financial Audit Statement Data Points](#) document starting on page 2. The Recipient has the ability to print copies of the PPR from the AMIS account if needed by the Auditor. The authoritative requirement for submission of the PPR is codified in 12 CFR 1805.803.

Recipients may request to revise a previously submitted report without it having an impact on their compliance status. The request should indicate the reason(s) for the revision(s) and the proposed changes. Revision requests should be submitted in a service request through the Recipients AMIS account. Once the PPR has been unlocked for revisions the Recipient has five (5) business days to make any necessary corrections and resubmit the report. Auditors can review the "Approval History" at the bottom of the PPR in AMIS to determine the report approval status. The Auditor will review the most recent version of the report available in AMIS.

Key Line Items - The following line item contains critical information (items not numbered in the report):

1. *Performance Goals and Measures (PG&M)* - The PG&M's identified are specific to each Recipient's assistance agreement and generally only include 2-3 PG&Ms. The data reported for the Period of Performance for each required PG&M should meet or exceed the required benchmarks as outlined in the assistance agreement.
2. *Transaction Level Report (TLR) and Consumer Loan Report (CLR) (OMB Control Number 1559-0027)* – The TLR is applicable to FA Award Recipients only. The CLR is applicable to banks and credit unions who are FA Award Recipients that originated consumer loans during the Period of Performance. Both reports are due 180 days after the Recipient's Period of Performance End Date. The reports are used to collect compliance and performance data and provide transactional information on an organization's portfolio. The reports require

reporting on newly originated loans and investments closed as of a Recipient's fiscal year end. The guidance for completing the reports can be found in the [CDFI TLR Data Point Guidance](#) available on the CDFI Fund website. The authoritative requirement for submission of the TLR/CLR is codified in 12 CFR 1805.803.

Recipients may request to revise a previously submitted report without it having an impact on their compliance status. The request should indicate the reason(s) for the revision(s) and the proposed changes. Revision requests should be submitted in a service request through the Recipients AMIS account. Once the TLR has been unlocked for revisions the Recipient has five (5) business days to make any necessary corrections and resubmit the report. Auditors can review the "Approval History" at the bottom of the TLR in AMIS to determine the report approval status. The Auditor will review the most recent version of the report available in AMIS.

Key Line Items for the TLR - The following line items contain critical information:

1. *Column C - TLR Submission Year* – Submission year is the current data year.
2. *Column D - Date Originated* – Reporting date is within the reporting period.
3. *Column E - Original Loan/Investment Amount.*
4. *Column I - Interest Rate.*
5. *Column K – Points.*
6. *Column L - Origination Fees.*
7. *Column O - Term.*
8. *Column AH - Annual Gross Revenue from Business Operations at Time of Loan/Investment Origination.*

Key Line Items for the CLR - The following line items contain critical information:

1. *Column E - Total Originated Amount* –the ratio of the total amount and the total number is equal to 1.
2. *Column F - Total Originated Number* –the ratio of the total amount and the total number is equal to 1.
3. *Column B - Fiscal Year* – Reported value is equal to the value of the current data year.

Uses of Award Report (UOA) (OMB Control Number 1559-0032) – Recipients submit the UOA in the AMIS database once a year, three (3) months after the Recipients Period

of Performance End Date. Additional guidance for completing the compliance reports is available on the CDFI Fund website under the CDFI Program website on the [Compliance Resources and Reporting section](#) page in the Uses of Award (UOA) Report Data Points Description and Related Guidance and Financial Audit Statement Data Points document starting on page 2. The authoritative requirement for submission of the UOA is codified in 12 CFR 1805.803.

Recipients may request to revise a previously submitted report without it having an impact on their compliance status. The request should indicate the reason(s) for the revision(s) and the proposed changes. Revision requests should be submitted in a service request through the Recipients AMIS account. Once the UOA has been unlocked for revisions the Recipient has five (5) business days to make any necessary corrections and resubmit the report. Auditors can review the “Approval History” at the bottom of the UOA in AMIS to determine the report approval status. The Auditor will review the most recent version of the report available in AMIS.

Key Line Items - The following line items contain critical information (items not numbered in the report):

1. Advances of FA Funds held in interest-bearing accounts
2. Amount of Interest earned
3. Interest earned in excess of \$500 has been remitted to the Department of Health & Human Services

Category of Activity - Total Dollar Amount – The total dollar amount of the activity expended during the Period of Performance.

3. Special Reporting

Not Applicable

4. Special Reporting for Federal Funding Accountability and Transparency Act

See Part 3.L for audit guidance.

DEPARTMENT OF THE TREASURY**ASSISTANCE LISTING 21.025 COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS SMALL DOLLAR LOAN PROGRAM****I. PROGRAM OBJECTIVES**

The purpose of the Community Development Financial Institutions (CDFI) Small Dollar Loan Program (SDL Program) is to use federal resources to help Certified CDFIs address the issue of expanding consumer access to mainstream financial institutions and provide alternatives to high-cost small dollar loans. The program was also created to help unbanked and underbanked populations build credit, access affordable capital, and allow greater access to the mainstream financial system.

II. PROGRAM PROCEDURES**A. Overview**

To provide grants for Loan Loss Reserves to enable: (1) a Certified Community Development Financial Institution (CDFI) or any partnership between a Certified CDFI and federally insured depository institution with a primary mission to serve targeted Investment Areas to establish a loan-loss reserve fund in order to defray the costs of a small dollar loan program established or maintained by such institution; and (2) to provide grants for Technical Assistance to a Certified CDFI or any partnership between or among Certified CDFIs to establish and maintain small dollar loan programs. SDL Program grants cannot be used to provide direct loans to consumers. This program is intended to provide an alternative to high-cost small dollar loans, as well as help unbanked and underbanked populations build credit, access affordable capital, and allow greater access into the mainstream financial system.

SDL Program grants cannot be used to provide direct loans to consumers.

B. Subprograms/Program Elements

Through the SDL Program, the CDFI Fund provides (1) LLR Awards to enable CDFIs to establish a loan loss reserve fund in order to cover losses on small dollar loans from a new or existing small dollar loan program and (2) TA Awards to support technology, staffing, and other eligible activities to enable a Certified CDFI to establish and maintain a small dollar loan program. LLR and TA Awards are provided through a competitive nationwide evaluation and selection process. After being selected for an Award, each SDL Program Award Recipient enters into an assistance agreement, which includes Performance Goals and Measures and other terms and conditions.

Source of Governing Requirements

The SDL Program is authorized by Title XII— Improving Access to Mainstream Financial Institutions Act of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111– 203), which amended the Riegle Community Development Banking and Financial Institutions Act of 1994 Pub. L. No. 103-325 (September 23, 1994), codified at 12 CFR Part 1805.

Note: All capitalized terms used herein but not defined have such definitions as specified in the [CDFI Program’s Interim Rule](#), NOFA, or applicable assistance agreement.

Availability of Other Program Information

Additional information on the SDL Program is available on the CDFI Fund website at <https://www.cdfifund.gov/programs-training/programs/sdlp>. A template of the assistance agreement is available on the CDFI Fund website at: [SDL Program Assistance Agreement FY 2022 FINAL.pdf \(cdfifund.gov\)](#). If there are specific questions regarding the programs, the CDFI Fund may be contacted via telephone at (202) 653-0421 or by e-mail at cdfihelp@cdfi.treas.gov.

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an “N.” See the Safe Harbor Status Discussion in Part 1 for additional information.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment and Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement and Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	N	N	N	N	N	N	Y	N	N

A. Activities Allowed or Unallowed

1. Activities Allowed

- a. Technical Assistance- TA Awards may be used for technology, staff support, and other eligible activities to enable a Certified CDFI to establish and maintain a small dollar loan program. Section 3.2 of the terms and conditions in the assistance agreement prescribes the specific authorized activities of the TA Award amounts for each SDL Program Award Recipient.
- b. Loan Loss Reserve -LLR grants may be used to establish a LLR fund in order to cover the losses on small dollar loans associated with starting a new small dollar loan program or expanding an existing small dollar loan program. Section 3.2 of the terms and conditions in the assistance agreement prescribes the specific authorized activities of the LLR Award amounts for each SDL Program Award Recipient.

2. Activities Unallowed

- a. SDL Program Award Recipient may not distribute assistance to an affiliate or subsidiary without the prior consent of the CDFI Fund.

L. Reporting

1. Financial Reporting

- a. *SF-270, Request for Advance or Reimbursement* – Not Applicable
- b. *SF-271, Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable
- c. *SF-425, Federal Financial Report* – Not Applicable

2. Performance Reporting

- a. *Performance Progress Report (PPR)* (OMB Control Number 1559-0036) – (12 CFR 1805) - Recipients submit the PPR in the Awards Management Information System (AMIS) database once a year, three (3) months after the Recipient's Period of Performance End Date. The PPR is used to determine if the Recipient is in compliance with the applicable Performance Goals and Measures in their Assistance Agreement. The PG&M's are specific to each Recipient's assistance agreement. Additional guidance for completing the compliance reports is available on the CDFI Fund website under the CDFI Program website on the [Compliance Resources and Reporting](#) section page in the Annual Compliance Reports Performance Progress Report (PPR) and Financial Audit Statement Data Points document starting on page 2. The Recipient has the ability to print copies of the PPR from its AMIS account if needed by the Auditor. The authoritative requirement for submission of the PPR is codified in 12 CFR 1805.803.

Recipients may request to revise a previously submitted report without it having an impact on their compliance status. The request should indicate the reason(s) for the revision(s) and the proposed changes. Revision requests should be submitted in a service request through the Recipients AMIS account. Once the PPR has been unlocked for revisions the Recipient has five (5) business days to make any necessary corrections and resubmit the report. Auditors can review the "Approval History" at the bottom of the PPR in AMIS to determine the report approval status. The Auditor will review the most recent version of the report available in AMIS

Key Line Items - The following line item contains critical information (items not numbered in the report):

1. *Performance Goals and Measures (PG&M)* - The PG&Ms are specific to each Recipient's assistance agreement. The data reported for the Period of Performance for each required PG&M should meet or exceed the required benchmarks.
- b. *Uses of Award Report (UOA)* (OMB Control Number 1559-0032) – Recipients submit the UOA in the AMIS database once a year, three (3) months after the Recipients Period of Performance End Date. Additional guidance for completing the compliance reports is available on the CDFI Fund website under the CDFI Program website on the Compliance Resources and Reporting section page in the Uses of Award (UOA) Report Data Points Description and Related Guidance and Financial Audit Statement Data Points document starting on page 2. The authoritative requirement for submission of the UOA is codified in 12 CFR 1805.803.

Recipients may request to revise a previously submitted report without it having an impact on their compliance status. The request should indicate the reason(s) for the revision(s) and the proposed changes. Revision requests should be submitted in a service request through the Recipients AMIS account. Once the UOA has been unlocked for revisions the Recipient has five (5) business days to make any necessary corrections and resubmit the report. Auditors can review the “Approval History” at the bottom of the UOA in AMIS to determine the report approval status. The Auditor will review the most recent version of the report available in AMIS.

Key Line Items – The following line items contain critical information (items not numbered in the report):

1. *Category of Activity* – These are the authorized activities for LLR and TA Awards as defined in Schedule 2 “General Award Terms and Conditions” of the assistance agreement. The Recipient is/has expended federal award dollars on authorized activities.
2. *Category of Activity - Total Dollar Amount* – The total dollar amount of the activity expended during the Period of Performance.

3. Special Reporting

Not Applicable

4. Special Reporting for Federal Funding Accountability and Transparency Act

See Part 3.L for audit guidance.

DEPARTMENT OF THE TREASURY
ASSISTANCE LISTING 21.026 HOMEOWNER ASSISTANCE FUND PROGRAM

I. PROGRAM OBJECTIVES

Note: This program is considered a “higher risk” program for 2023, pursuant to 2 CFR section 200.519(c)(2). Refer to the “Programs with Higher Risk Designation” section of Part 8, Appendix IV, Internal Reference Tables, for a discussion of the impact of the “higher risk” designation on the major program determination process.

The Homeowner Assistance Fund (HAF) program provides \$9.961 billion for the U.S. Department of the Treasury (“Treasury”) to make payments to states (defined to include the District of Columbia, Puerto Rico, US Virgin Islands, Guam, Northern Mariana Islands, and American Samoa), Indian tribes or their tribally designated housing entities, and the Department of Hawaiian Home Lands (collectively the “eligible entities” or “HAF Participants”) to mitigate financial hardships associated with the coronavirus pandemic, including for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship after January 21, 2020, through qualified expenses related to mortgages and housing.

II. PROGRAM PROCEDURES

A. Overview

Section 3206 of the American Rescue Plan Act of 2021 (the “Act”), Pub. L. No. 117-2 (March 11, 2021), codified as 15 USC 9058d (15 USC 9058d), established the HAF program and provides \$9.961 billion for Treasury to make payments to the eligible entities to provide the assistance to homeowners for qualified expenses related to mortgages and housing as described in 15 USC 9058d(c)(1) and Treasury’s HAF Guidance.

Pursuant to 15 USC 9058d(c)(2), at least 60 percent of the HAF participants’ award funds must be used to provide assistance with mortgage payments, homeowner’s insurance, utility payments, and other qualified expenses related to mortgages and housing to eligible homeowners within a certain target income. The law requires HAF participants to prioritize the remaining award funds to provide assistance to “socially disadvantaged individuals” (see also the section on “Targeting” in the HAF Guidance).

15 USC 9058d(d) prescribes that the HAF funding must be allocated as follows:

1. \$30 million for the US Virgin Islands, Guam, Northern Mariana Islands, and American Samoa (US territories);
2. \$498 million for the Department of Hawaiian Home Lands (DHHL) and Indian tribes or their tribally designated housing entities; and

3. the remainder for the 50 states, the District of Columbia, and Puerto Rico. Each state, the District of Columbia, and Puerto Rico will receive a minimum payment of \$50 million. Amounts that will be paid to states, the District of Columbia, and Puerto Rico are based on homeowner need as it relates to unemployment and mortgage delinquencies or mortgage foreclosures in those jurisdictions.

Amounts paid to US territories are based on share of population, and amounts paid to tribal entities are based on a formula under 15 USC 9058d(f).

Source of Governing Requirements

- Section 3206 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (March 11, 2021) and codified at 15 USC 9058d.
- As implemented by Treasury's HAF guidance available on Treasury.gov, including important version changes over time that can be found on the site.

Availability of Other Program Information

General information for the HAF program is available through the program website at www.treasury.gov/HAF. Information includes the following documents:

- [HAF Guidance](#) (See pages 1-12)

Provides guidance on HAF program purpose, definitions, Notice of Request for HAF payments, qualified expenses, homeowner eligibility, HAF plans, and reporting and monitoring as required under section 15 USC 9058d.
- [HAF Interim Report User Guide](#) (See pages 1-27)

Provides guidance on using Treasury's Portal to submit the required Homeowner Assistance Fund (HAF) Interim Report.
- [HAF Reporting Frequently Asked Questions \(FAQs\)](#) (See pages 1-10)

Provided answers to frequently asked questions on HAF reports.
- [HAF Quarterly Report User Guide](#) (See pages 1-49)

The User Guide contains detailed guidance and instructions for HAF participants in using Treasury's Portal for submitting the HAF Quarterly Report.
- [HAF Annual Report User Guide](#) (See pages 1-31)

Provides guidance on using Treasury’s Portal to submit the required HAF Annual Report.

- [HAF Guidance on Participant Compliance and Reporting Responsibilities](#) (See pages 1-25)

Provides detail on HAF participants’ compliance and reporting responsibilities under the HAF program, and should be read in concert with the [HAF Financial Assistance Agreement](#) (See pages 1-5), the [HAF authorizing statute](#) (See pages 60-63), and the [HAF Guidance](#) (See pages 1-12).

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an “N.” See the Safe Harbor Status Discussion in Part 1 for additional information.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment and Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement and Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	Y	N	Y	N	N	N	Y	Y	N

A. Activities Allowed or Unallowed

HAF participants may use their HAF award funds for qualified expenses related to mortgages and housing, including for the purpose of preventing homeowner mortgage delinquencies, homeowner mortgage defaults, homeowner mortgage foreclosures, homeowner loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship after

January 21, 2020. Please see pages 5 to 8 of the [HAF Guidance](#) for the full list of qualified expenses.

B. Allowable Cost / Cost Principles

HAF funds are considered “other financial assistance” per 2 CFR 200.1 and are administered by Treasury as direct payments for specified use. Refer to 2 CFR Part 200, Subpart E regarding the Cost Principles that apply to the use of funds under this program.

1. Allowable Costs under the HAF program include the following:
 - a. mortgage payment assistance;
 - b. financial assistance to allow a homeowner to reinstate a mortgage or to pay other housing-related costs related to a period of forbearance, delinquency, or default;
 - c. mortgage principal reduction, including with respect to a second mortgage provided by a nonprofit or government entity;
 - d. facilitating mortgage interest rate reductions;
 - e. payment assistance for: (a) homeowner’s utilities, including electric, gas, home energy, water, and wastewater; (b) homeowner’s internet service, including broadband internet access service, as defined in 47 CFR 8.1(b) (or any successor regulation); (c) homeowner’s insurance, flood insurance, and mortgage insurance; (d) homeowner’s association fees or liens, condominium association fees, or common charges, and similar costs payable under a unit occupancy agreement by a resident member/shareholder in a cooperative housing development; and (e) down payment assistance loans provided by nonprofit or government entities;
 - f. payment assistance for delinquent property taxes to prevent homeowner tax foreclosures;
 - g. measures to prevent homeowner displacement, such as home repairs to maintain the habitability of a home or assistance to enable households to receive clear title to their properties;
 - h. reimbursement of funds expended by a state, local government, or applicable tribal entity during the period beginning on January 21, 2020, and ending on the date that the first funds are disbursed by the HAF participant under the HAF, for a qualified expense (other than any

qualified expense paid directly or indirectly by another federal funding source, or any qualified expenses described in clauses (6), (7), (8), or (10) of this definition);

- i. payment of lot rent for a manufactured home, where such payment would promote housing stability and prevent the default of the resident of the manufactured home; and
- j. reimbursement of funds expended by a state, local government, or entity described in clause (3) or (4) of the definition above of “eligible entity” during the period beginning on the date the participant received its initial HAF payment and ending on the date the participant received the balance of funds requested in the participant’s HAF plan for a qualified expense consistent with the participant’s approved HAF Plan (other than any qualified expense paid directly or indirectly by another federal funding source).

Please see the HAF Guidance on the HAF program page on Treasury.gov for the latest guidance regarding the eligible uses of HAF funds.

E. Eligibility

1. Eligibility for Individuals

Treasury expects auditors to test the eligibility of homeowners to receive HAF assistance and to focus on whether HAF participants established and adhered to reasonable policies and procedures for evaluating homeowners’ applications in accordance with the HAF Guidance which permits HAF participants to reasonably rely on self-attestation.

Testing of individual homeowner eligibility-related documentation should be limited to material already collected by the HAF participant in the application as much as possible to avoid imposing undue burden on homeowners that are experiencing financial hardships.

The HAF Guidance documents the full eligibility considerations for HAF participants to extend financial assistance to vulnerable populations without imposing undue documentation burdens. HAF participants must require all applications for assistance to include an attestation from the applicant homeowner that all information included is correct and complete. In addition, HAF participants are expected to have policies and procedures to determine homeowner eligibility in the following two criteria:

Financial Hardship: HAF participants may rely on homeowners' attestations that they experienced financial hardship after January 21, 2020 (including a hardship that began

before January 21, 2020 but continued after that date). The attestation must describe the nature of the financial hardship (for example, job loss, reduction in income, or increased costs due to healthcare or the need to care for a family member).

Income Determination: HAF participants may take one of two approaches to income verification: (1) the homeowner may provide a written attestation as to household income together with supporting documentation such as paystubs, W2s or other wage statements, IRS Form 1099s, tax filings, depository institution statements demonstrating regular income, or an attestation from an employer; or (2) the homeowner may provide a written attestation as to household income and the HAF participant may use a reasonable fact-specific proxy for household income, such as reliance on data regarding average incomes in the household's geographic area. To be eligible for HAF assistance, the homeowner must have income equal to or less than 150 percent of the area median income (AMI) or 100 percent of the median income for the United States, whichever is greater.

For additional information, please see Treasury's HAF Guidance at:
<https://home.treasury.gov/system/files/136/HAF-Guidance.pdf>

2. Eligibility of Group of Individuals or Area of Service Delivery

Not Applicable

3. Eligibility for Subrecipients

Not Applicable

G. Matching, Level of Effort, Earmarking

1. Matching

Not Applicable

2. Level of Effort

Not Applicable

3. Earmarking

1. Counseling or educational efforts by housing counseling agencies approved by HUD, tribal government (including such efforts by in-house housing counselors who are HUD certified or tribally approved), or legal services, targeted to households eligible to be served with funding from the HAF related to foreclosure prevention or displacement, in an aggregate amount up to 5 percent of the funding from the HAF received by the HAF participant.

2. Planning, community engagement, needs assessment, and administrative expenses related to the HAF participant's disbursement of HAF funds for qualified expenses, in an aggregate amount not to exceed 15 percent of the funding from the HAF received by the HAF participant.
3. Participants are providing not less than 60% of funds to homeowners with income less than 100% AMI or 100% of U.S. median income.
4. Participants target homeowners that are classified as Socially Disadvantaged Individuals (SDI) and 100 percent AMI or less.

L. Reporting

1. Financial Reporting

- a. *SF-270, Request for Advance or Reimbursement* – Not Applicable
- b. *SF-271, Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable
- c. *SF-425, Federal Financial Report* – Not applicable
- d. *Other: Quarterly Report (PRA 1505-0269))- Quarterly*

Authoritative Requirement: 2 CFR 200.328

Report Instructions:

https://home.treasury.gov/system/files/136/HAF_QuarterlyReportUserGuide.pdf

Report Corrections: The Office of Recovery Program's (ORP) reporting portal has built-in functionality to reopen a report and allow recipients to make edits after the reporting deadline. However, it is ORP's policy that recipients may only make revisions if authorized by Treasury staff for a period of up to 60 days after the reporting deadline. After the revision period ends, the report is final. A resubmitted report becomes a recipient's final report within ORP's reporting portal. Recipients can generate PDFs of this reports at any time.

Key Line Items –

1. *Administrative Expenses-* Quantifiable Objective Criteria: Obligations and expenditures do not exceed 15% for admin expenses, as noted on page 4 of the [HAF Guidance](#) (See item #10).

2. *Services, Counseling & Education*- Quantifiable Objective Criteria: Obligations and expenditures do not exceed 5% for legal services, counseling, and education, as noted on page 4 of the [HAF Guidance](#).

2. Performance Reporting

- a. *Title of Report: Annual Performance Report*
PRA Number: 1505-0269
Reporting Cycle: Annual
Authoritative Requirement:
https://home.treasury.gov/system/files/136/HAF_GuidanceonParticipantComplianceandReportingResponsibilities.pdf
Blank Copy of the Report: [HAF_AnnualReportUserGuide_5.23.22.docx](#)
Report Instructions: [HAF_AnnualReportUserGuide_5.23.22.docx](#)

Key Line Item(s)

1. *Socially Disadvantaged Individuals*- Quantifiable Objective Criteria: Participants are providing not less than 60% of funds to homeowners with income less than 100% AMI or 100% of U.S. median income.
2. *Area Median Income*- Quantifiable Objective Criteria: Participants target homeowners that are classified as SDI and 100 percent AMI or less. This requirement can be found on page 6 of the [HAF Guidance](#).

3. Special Reporting

Not Applicable

4. Special Reporting for Federal Funding Accountability and Transparency Act

Although reporting on subaward information is applicable to HAF participants pursuant to the award term set forth in Appendix A to 2 CFR Part 170, which is incorporated by reference in the HAF Financial Assistance Agreement, HAF participants' compliance with these reporting requirements is not subject to audit.

M. Subrecipient Monitoring

All HAF participants and their subrecipients must be registered in SAM.gov. HAF participants must monitor and manage their subrecipients in accordance with 2 CFR 200.332 to ensure their subrecipients are administering the subawards in compliance with the terms and conditions of the subawards.

DEPARTMENT OF THE TREASURY**ASSISTANCE LISTING 21.027 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS****I. PROGRAM OBJECTIVES**

Note: This program is considered a “higher risk” program for 2023, pursuant to 2 CFR section 200.519(c)(2). Refer to the “Programs with Higher Risk Designation” section of Part 8, Appendix IV, Internal Reference Tables, for a discussion of the impact of the “higher risk” designation on the major program determination process.

Note: Per Part IV, “Other Information,” certain Coronavirus State and Local Fiscal Recovery Funds (SLFRF) recipients are provided with an option to have an alternative compliance examination engagement in lieu of a Single Audit or a Program-Specific Audit under 2 CFR Part 200, Subpart F.

The purpose of the SLFRF program is to provide direct payments to states (defined to include all 50 states and the District of Columbia), US territories (defined to include Puerto Rico, US Virgin Islands, Guam, Northern Mariana Islands, and American Samoa), Tribal governments, metropolitan cities, counties, and (through states) non-entitlement units of local government (NEUs) (collectively the “eligible entities”) to:

1. Respond to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19) or its negative economic impacts, including by providing assistance to households, small businesses, nonprofits, and impacted industries, such as tourism, travel, and hospitality;
2. Respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the recipient that perform essential work or by providing grants to eligible employers that have eligible workers who are performing essential work;
3. Provide government services, to the extent of the reduction in revenue of the eligible entities due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the eligible entities prior to the emergency; and
4. Make necessary investments in water, sewer, or broadband infrastructure.

II. PROGRAM PROCEDURES**A. Overview**

Sections 602 and 603 of the Social Security Act (the “Act”), as added by section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (Mar. 11, 2021), codified at 42 USC sections 802 and 803, authorized the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund, respectively (referred to collectively as the

“Coronavirus State and Local Fiscal Recovery Funds” or “SLFRF”). SLFRF is administered by the US Department of the Treasury (“Treasury”) and provides assistance in the form of direct payments for specified use. SLFRF provides \$350 billion for payments to eligible entities.

The total allocations to the eligible entities under SLFRF are as follows:

- (1) \$195.3 billion reserved for making payments to the 50 states and the District of Columbia;
- (2) \$4.5 billion reserved for making payments to the US territories;
- (3) \$20 billion reserved for making payments to Tribal governments;
- (4) \$45.57 billion reserved for making payments to metropolitan cities;
- (5) \$65.1 billion reserved for making payments to counties; and
- (6) \$19.53 billion reserved for making payments to NEUs.

Amounts paid to eligible states and local governments were based on 2019 population data from the US Census Bureau as well as latest available data from the Bureau of Labor Statistics at the time of the issuance of Treasury’s Interim Final Rule, May 17, 2021. Treasury made a determination to allocate payments to Tribal governments based on enrollment reported to the Bureau of Indian Affairs and employment data, as well as consultation with Tribal leaders.

Prior to receipt of award funds, all eligible entities are required to execute a Financial Assistance Agreement, which includes the Award Terms and Conditions that recipients must comply with in carrying out the objectives of their award, as well as the certification required at 42 USC 802(d)(1). Tribal and local governments are not required to provide such certification as a condition of receiving payment under SLFRF. Eligible entities are required to use their award funds as set forth at 42 USC sections 802(c)(1) and 803(c)(1) and Treasury’s Final Rule, 31 CFR Part 35 to meet pandemic response needs and rebuild a strong, more equitable economy as the country recovers.

Source of Governing Requirements

The SLFRF program is authorized by sections 602 and 603 of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (Mar. 11, 2021), codified at 42 USC sections 802 and 803, and implemented by Treasury’s [Interim Final Rule](#) and [Final Rule](#) at 31 CFR Part 35.

On January 6, 2022, Treasury adopted a Final Rule to implement the requirements of the SLFRF program. The Final Rule responded to comments Treasury received on the Interim Final Rule and became effective on April 1, 2022.

Along with the Final Rule, Treasury published a [Statement Regarding Compliance with the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule and Final Rule](#) (the “Statement”) that clarifies the transition from compliance with the Interim Final Rule to compliance with the Final Rule. Recipients should review the Final Rule for additional information. Recipients must comply with the Final Rule beginning on April 1, 2022. Prior to April 1, 2022, recipients were permitted to take actions and use funds in a manner consistent with the Final Rule, and Treasury will not take action to enforce the Interim Final Rule if a use of funds is consistent with the terms of the Final Rule, regardless of when the SLFRF funds were used. This means that Treasury will not take action to enforce against uses in accordance with the Interim Final Rule to the extent that the recipient wishes to change its planned uses of SLFRF funds in a manner consistent with the Final Rule.

Prior to April 1, 2022, the Interim Final Rule remained in effect. Accordingly, recipients were able to obligate and expend funds in a manner consistent with the Interim Final Rule prior to April 1, 2022. In addition, Treasury recognizes that recipients took steps to use SLFRF funds for projects in a manner consistent with the Interim Final Rule prior to adoption of the Final Rule. To the extent that a recipient took significant steps toward obligating SLFRF funds in a manner consistent with the Interim Final Rule prior to January 6, 2022, Treasury will generally not take action to enforce provisions contained in the Final Rule, to the extent that they are more restrictive than those in the Interim Final Rule. Such significant steps include initiation of procurement or grantmaking actions, detailed planning of projects or programs, appropriation of funds, and other significant planning steps.

Recipients must follow the requirements on award funds they expended for their fiscal year 2023 based on the requirements set forth at 42 USC sections 802 and 803, Treasury’s Interim Final Rule, Treasury’s Final Rule, and Frequently Asked Questions (FAQs), as applicable. If an expenditure is not consistent with the Final Rule, then auditors should consult the Statement in order to determine how to assess the applicability of the Interim Final Rule and use their professional judgement. See the IV., “Other Information” section below for auditor guidance relating to the criteria auditors should use for compliance testing purposes.

Auditors should note that the [Consolidated Appropriations Act, 2023](#) amended Sections 602 and 603 of the Social Security Act to provide state, local, and Tribal governments the flexibility to use SLFRF funds for additional eligible uses. See Division LL, Section 102 of the Consolidated Appropriations Act. Additional guidance will be forthcoming and available on the Treasury website.

Availability of Other Program Information

Additional information on the requirements for SLFRF is available through the program webpage on Treasury’s website at <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>.

SLFRF’s Compliance and Reporting Guidance can be found at <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds/recipient-compliance-and-reporting-responsibilities>.

The Compliance and Reporting Guidance provides additional detail and clarification for each recipient's compliance and reporting responsibilities and should be read in concert with the Award Terms and Conditions (Please refer to: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-fund/request-funding>), the authorizing statute, the Interim Final Rule and Final Rule, as applicable, and other regulatory and statutory requirements.

Interim Final Rule FAQs and Final Rule FAQs about SLFRF are available on the program webpage on Treasury's website at <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>.

The FAQ documents contain answers to frequently asked questions regarding the Interim Final Rule and the Final Rule. Treasury intends to update the Final Rule FAQs periodically in response to questions received from stakeholders. The Final Rule FAQs are applicable to the Final Rule, although readers will notice that many FAQs have been incorporated from the Interim Final Rule FAQs, because they remain applicable. Answers to frequently asked questions that are unique to the Interim Final Rule remain available on the Treasury website. The Final Rule FAQs include a categorization to assist readers in identifying the FAQs that remain largely the same as in the Interim Final Rule FAQs and the FAQs that are new or have been updated in conformity with the Final Rule.

Statement Regarding Compliance with the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule and Final Rule can be found at <https://home.treasury.gov/system/files/136/SLFRF-Compliance-Statement.pdf>.

The Statement clarifies the transition from compliance with the Interim Final Rule to compliance with the Final Rule. Recipients should also review the Final Rule for additional information.

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this federal program, the auditor must determine, from the following summary (also included in Part 2, "Matrix of Compliance Requirements"), which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a "Y" in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit. When a compliance requirement is shown in the summary below as "N," it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an "N." See the Safe Harbor Status Discussion in Part 1 for additional information.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment and Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement and Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	N	N	Y	Y	Y	N	Y	Y	N

A. Activities Allowed or Unallowed

Recipients may use SLFRF payments for any eligible expenses subject to the restrictions set forth in sections 602 and 603 of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021 codified at 42 USC sections 802 and 803 respectively. Recipients may also use payments subject to the restrictions set forth Division LL, Section 103 of the Consolidated Appropriations Act, 2023, Treasury's Interim Final Rule and Final Rule at 31 CFR Part 35, and FAQs available at <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf> and <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf>.

1. *Activities Allowed-* Recipients may use payments from SLFRF to:

- a. **Respond to the public health and negative economic impacts of the pandemic**, by supporting the health of communities, and helping households, small businesses, impacted industries, and the public sector recover from economic impacts of the pandemic;
- b. **Replace lost public sector revenue** to provide government services; recipients may use this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic.
- c. **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
- d. **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.

2. *Activities Unallowed*

- a. Offset a reduction in net tax revenue (applicable to states and territories)
- b. Deposits into pension funds (applicable to all recipients except Tribes)
- c. Debt service or replenishing financial reserves (e.g., “rainy day funds”) (applicable to all recipients)
- d. Satisfaction of settlements and judgments (applicable to all recipients)
- e. Programs, services, or capital expenditures that include a term or condition that undermines efforts to stop the spread of COVID-19 (applicable to all recipients)

Under the Final Rule, recipients can elect a one-time “standard allowance” of \$10 million (not to exceed the recipient’s award amount) to spend on the “provision of government services” during the period of performance. Alternatively, recipients can calculate lost revenue for the years 2020, 2021, 2022, and 2023 based on the formula provided in the Final Rule to determine the amount of SLFRF funds that can be used for the “provision of government services.” In calculating revenue loss, recipients can choose whether to use calendar or fiscal year dates but must be consistent throughout the period of performance. If calculating revenue loss, recipients must provide auditors with evidence supporting their revenue loss calculation. Treasury has determined that there are no subawards under this eligible use category. The definition of subrecipient in the Uniform Guidance provides that a subaward is provided for the purpose of “carrying out” a portion of a federal award. Recipients’ use of revenue loss funds does not give rise to subrecipient relationships.

The dollar amount of the revenue loss determines the limit for the amount of SLFRF funds that can be used to “provide government services” (which is one of four eligible uses of SLFRF funds). For Schedule of Expenditures of Federal Awards (SEFA) reporting purposes, the aggregate expenditures for all four eligible use categories are reported on the SEFA and not the result of the revenue loss calculation or standard allowance. See the IV, “Other Information” section below for guidance on the related Schedule of Expenditures of Federal Award reporting.

B. Allowable Cost/Cost Principles

SLFRF is considered “other financial assistance” per 2 CFR section 200.1 and is administered as direct payments for specified use.

The auditor is not expected to determine whether the recipient exceeded the maximum limits for specified eligible use categories. Treasury will evaluate that the recipient was within the limits for the eligible use categories through reviewing the recipient’s reporting, which is subject to audit.

The 2 CFR Part 200, Subpart E is applicable to expenditures under SLFRF unless stated otherwise. Given the purpose and very broad scope of eligible uses of the revenue replacement funds, only a subset of the requirements in 2 CFR Part 200, Subpart E apply to recipients' use of such funds, as follows:

- 2 CFR 200.400(a) - (c), and (e) Policy guide;
- 200.403(a), (c), (d), (g), and (h) Factors affecting allowability of costs; and
- 200.404(e) Reasonable costs.

G. Matching, Level of Effort, Earmarking

1. Matching

Not Applicable

2. Level of Effort

Not Applicable

3. Earmarking

Recipients may use payments from SLFRF to replace lost public sector revenue to provide government services. Recipients may use this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic.

Under the Final Rule, recipients can elect a one-time "standard allowance" of \$10 million (not to exceed the recipient's award amount) to spend on the "provision of government services" during the period of performance. Alternatively, recipients can calculate lost revenue for the years 2020, 2021, 2022, and 2023 based on the formula provided in the Final Rule to determine the amount of SLFRF funds that can be used for the "provision of government services."

In calculating revenue loss, recipients can choose whether to use calendar or fiscal year dates but must be consistent throughout the period of performance. If calculating revenue loss, recipients must provide auditors with evidence supporting their revenue loss calculation.

Treasury has determined that there are no subawards under this eligible use category. The definition of subrecipient in the Uniform Guidance provides that a subaward is provided for the purpose of "carrying out" a portion of a federal award. Recipients' use of revenue loss funds does not give rise to subrecipient relationships.

The dollar amount of the revenue loss determines the limit for the amount of SLFRF funds that can be used to "provide government services" (which is one of

four eligible uses of SLFRF funds). For Schedule of Expenditures of Federal Awards (SEFA) reporting purposes, the aggregate expenditures for all four eligible use categories are reported on the SEFA and not the result of the revenue loss calculation or standard allowance. See the IV, “Other Information” section below for guidance on the related Schedule of Expenditures of Federal Award reporting.

H. Period of Performance

Recipients may only use funds to cover costs incurred during the period beginning on March 3, 2021 and ending on December 31, 2024, pursuant to the Final Rule at 31 CFR section 35.5(a). Recipients must liquidate all obligations incurred by December 31, 2024, under the award no later than December 31, 2026, which is the end of the period of performance. As such, program obligations or costs must be incurred from the period beginning on March 3, 2021 and ending on December 31, 2024. No new obligations or costs may be incurred during the period beginning January 1, 2025 and ending on December 31, 2026. During this two-year period from January 1, 2025, through December 31, 2026, recipients are only permitted to expend funds to satisfy obligations incurred by December 31, 2024.

I. Procurement and Suspension and Debarment

1. Procurement

Recipients may use award funds to enter into contracts to procure goods and services necessary to implement one or more of the eligible purposes outlined in 42 USC sections 802(c) and 803(c) and Treasury’s Interim Final Rule and Final Rule. As such, except as noted in the next paragraph, recipients are expected to have procurement policies and procedures in place that comply with the procurement standards outlined in the Uniform Guidance.

In July 2022, Treasury released [Final Rule FAQ 13.15](#), which explains that only a subset of the requirements in Subparts D and E of the Uniform Guidance apply to recipients’ use of award funds under the revenue loss eligible use category. The requirements of 2 CFR sections 200.318 through 200.327 are not included in the list of requirements applicable to such funds.

Recipients may also refer to section 13 of the [Final Rule FAQs](#), which includes FAQs related to procurement and other Uniform Guidance-related topics.

2. Suspension and Debarment

See Part 3.

L. Reporting**1. Financial Reporting**

- a. *SF-270, Request for Advance or Reimbursement* – Not Applicable
- b. *SF-271, Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable
- c. *SF-425, Federal Financial Report* – Not Applicable

2. Performance Reporting

Title of Report: Project and Expenditure Report

PRA Number: 1505-0271

Reporting Cycle: Quarterly and Annual

Authoritative Requirement: 2 CFR 200.328 and [31 CFR section 35.4\(c\) Reporting and requests for other information](#)

Blank Copy of the Report: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds/recipient-compliance-and-reporting-responsibilities> - See pages 17 through 34.

Report Instructions: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds/recipient-compliance-and-reporting-responsibilities> - See pages 17 through 34.

Report Corrections: Recipients will have an opportunity to reopen and provide edits to their submitted Project and Expenditure Reports any time before the reporting deadline. Recipients will then be required to re-certify and submit the report again to properly reflect any edits made. After the reporting deadline, unless prompted by Treasury staff, recipients will not be able to edit their submitted report, any changes or revisions will need to be reflected in the next Project and Expenditure report.

The Office of Recovery Program's (ORP) reporting portal has built-in functionality to reopen a report and allow recipients to make edits after the reporting deadline. However, it is ORP's policy that recipients may only make revisions if authorized by Treasury staff for a period of up to 60 days after the reporting deadline. After the revision period ends, the report is final. A resubmitted report becomes a recipient's final report within ORP's reporting portal. Recipients can generate PDFs of this reports at any time.

Key Line Item(s)- The following line items contain critical information:

1. Obligations and Expenditures- Quantifiable Objective Criteria:
Reported obligations and expenditures. (See pages 16 and 17 of the above links.)
 - a. Current period obligation
 - b. Cumulative obligation
 - c. Current period expenditure
 - d. Cumulative expenditure

Revenue loss calculation validation- Note- Recipients may elect a “standard allowance” of up to \$10 million to spend on government services through the period of performance instead of using the full formula specified in the final rule. The standard allowance is available to all recipients. See page 30 for when recipients may modify their revenue loss election. Quantifiable Objective Criteria: Recipient’s application of the revenue loss calculation is accurate if they did not elect the standard allowance. Specific information regarding the revenue loss formula can be found in [paragraph \(d\)\(2\) of 31 CFR § 35.6 at 31 CFR § 35.6\(d\)\(2\)\(d\)\(2\).](#)

2. *Capital Expenditures*- Quantifiable Objective Criteria: The recipient has the required written justification in their grant file if the total of the capital expenditures costs in a project is greater than or equal to \$1 million and less than \$10 million; or, the recipient submitted the required justification to Treasury if (1) a project has total capital expenditures costs greater than \$10 million for capital expenditures enumerated by Treasury in the final rule; or (2) the total of a project’s capital expenditures costs is greater than \$1 million for capital expenditures not enumerated by Treasury in the final rule. Note: Capital expenditures paid for using revenue replacement funds are not subject to this requirement. Tribal governments are not required to complete the written justification. (See [31 CFR section 35.6\(b\)\(4\)](#))

3. **Special Reporting**

Not Applicable

4. **Special Reporting for Federal Funding Accountability and Transparency Act (FFATA)**

Not Applicable

- a. Treasury received approval from the Office of Management and Budget (OMB) to increase the subaward reporting threshold outlined in 2 CFR Part 170 from \$30,000 to \$50,000 for CSLFRF.

- b. Although reporting on subaward information is applicable to SLFRF recipients pursuant to the award term set forth in Appendix A to 2 CFR Part 170, which is incorporated by reference in the SLFRF Financial Assistance Agreement, SLFRF recipients' compliance with FFATA reporting requirements is not subject to audit.

M. Subrecipient Monitoring

See Part 3, Section M, "Subrecipient Monitoring" for a general description of the compliance requirements, the related audit objectives, and suggested audit procedures. Note that subrecipient monitoring is not required for entities deemed to be beneficiaries. Because NEUs are considered by Treasury to be direct recipients of SLFRF (and not subrecipients or beneficiaries), states have no subrecipient monitoring responsibilities related to the funding states were required to distribute to NEUs.

The subrecipient or beneficiary designation is an important distinction as funding provided to beneficiaries is not subject to audit pursuant to the Single Audit Act and 2 CFR Part 200, Subpart F, but funding provided to subrecipients is subject to those audit requirements. For example, when recipients of SLFRF provide award funds to entities to respond to the negative economic impacts of COVID-19 as end users, and not for the purpose of carrying out program requirements, the entities receiving such funding are beneficiaries of SLFRF. Alternatively, when recipients of SLFRF provide award funds to an entity to carry out a program on behalf of the SLFRF recipient, the entities receiving such funding are subrecipients.

Recipients may permit for-profit subrecipients to submit a consolidated audit that reflects their SLFRF expenditures across subawards and programs.

Also as discussed in [Final Rule FAQ 13.14](#), Treasury has determined that there are no subawards under this eligible use category because a recipients' use of revenue loss funds does not give rise to subrecipient relationships given that there is no federal program or purpose to carry out in the case of the revenue loss portion of the award. Therefore, subrecipient monitoring is not applicable to Expenditure Category Group 6 "Revenue Replacement."

IV. OTHER INFORMATION

Please refer to the section entitled "Source of the Governing Requirements" above.
Schedule of Expenditures of Federal Awards (SEFA)

As noted above in Activities Allowed or Unallowed, the dollar amount of the revenue loss determines the limit for the amount of SLFRF funds that can be used to "provide government services" (which is one of four eligible uses of SLFRF funds). For SEFA reporting purposes, the aggregate expenditures for all four eligible use categories are reported on the SEFA and not the result of the revenue loss calculation or standard allowance.

Additionally, because NEUs are considered direct recipients under SLFRF, NEUs that do not elect or are not eligible for the alternative compliance examination engagement are required to report their award expenditures on the SEFA and data collection form as direct awards. Further, States must not report award funds that were required to be distributed to the NEUs on State SEFAs or data collection forms.

Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving SLFRF Awards

I. ALTERNATIVE APPROACH OBJECTIVES

Treasury recognizes that many recipients of SLFRF may newly be required to complete a single audit or a program-specific audit pursuant to the Single Audit Act and its implementing regulations, 2 CFR Part 200, Subpart F, due to their receipt of an SLFRF award which may lead to them expending \$750,000 or more during their fiscal year in Federal awards. This may be because the recipient has not received direct federal financial assistance before, or the other federal financial assistance they expended did not exceed the \$750,000 audit threshold set forth at 2 CFR 200.501(a). This section describes an alternative approach for SLFRF recipients that would otherwise not be required to undergo an audit pursuant to 2 CFR Part 200, Subpart F, if it was not for the expenditures of SLFRF funds directly awarded by Treasury. This alternative approach is permitted by OMB as further described in the Part 8, Appendix VII – Other Audit Advisories and as detailed below. However, an SLFRF recipient may still elect to undergo a single audit or a program-specific audit under 2 CFR Part 200, Subpart F.

A. Alternative Compliance Examination Engagement

The alternative approach to a single audit or program-specific audit under 2 CFR Part 200, Subpart F, permits eligible recipients to engage a practitioner to perform a compliance examination engagement in accordance with the Government Accountability Office (GAO) [*Government Auditing Standards*](#). The GAO *Government Auditing Standards* direct practitioners to conduct these engagements in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Attestation Engagements. The AICPA attestation standards are codified in the AT-C section of the AICPA's *Professional Standards* and [AT-C section 315, Compliance Attestation](#), which is the standard to be followed. This engagement, which results in an opinion on compliance, is to be directed at the compliance requirements described below in D. Compliance Requirements.

This alternative is intended to reduce the burden of a full single audit or program-specific audit on eligible recipients and practitioners, as well as uphold Treasury's responsibility to be a good steward of federal funds. This balance of burden reduction and Treasury responsibility to be a good steward is achieved in several ways as follows:

1. A financial statement audit is not required for those eligible recipients that expend award funds from other Federal programs.
2. A compliance examination engagement simplifies the engagement for both recipients and practitioners.
3. A formal schedule of expenditures of federal awards is not required as the practitioner opines directly on compliance for a single program.
4. The requirements for internal control in 2 CFR 200.514(c) are not relevant to the engagement, although AT-C 315, paragraph .15, still requires the practitioner to obtain an understanding of relevant portions of internal control over compliance sufficient to plan the engagement and to assess control risk for compliance with specified requirements.
5. The engagement still involves testing of the compliance requirements described below and results in a related examination opinion which is similar to the compliance opinion provided under 2 CFR Part 200, Subpart F.
6. The engagement reporting is simplified as compared to the audit report required by 2 CFR Part 200, Subpart F. One compliance examination opinion is issued (versus up to 3 reports for a single audit or program-specific audit) and the reporting allows for reporting findings that are noted in a similar manner to how they are reported for audits under 2 CFR Part 200, Subpart F.

The following subsections of this section align with normal OMB Compliance Supplement presentation for a Federal program; however, practitioners performing the alternative compliance examination engagement should use this “Other Information” section as a standalone document. Practitioners should not use Part 3 of the OMB *Compliance Supplement* or the full Part 4 section of the SLFRF Program Compliance Supplement (designated for audits of the program performed under 2 CFR Part 200, Subpart F) when testing compliance. Instead, the examination objectives and suggested examination procedures below should be used on their own.

B. Recipient Eligibility

Recipient eligibility to use this alternative approach is as follows: SLFRF recipients that expend \$750,000 or more during the recipient’s fiscal year in federal awards and which meet **both** criteria listed below have the option to follow the alternative SLFRF compliance examination engagement:

1. The recipient’s total SLFRF award received directly from Treasury or received (through states) as an NEU is at or below \$10 million; and

2. Other federal award funds the recipient expended (not including their direct SLFRF award funds) are less than \$750,000 during the recipient's fiscal year.

C. Program Objectives

SLFRF provides direct payments to states (defined to include the District of Columbia), US territories (defined to include Puerto Rico, US Virgin Islands, Guam, Northern Mariana Islands, and American Samoa), Tribal governments, metropolitan cities, counties, and (through states) NEU (collectively the "eligible entities") to:

1. Respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including by providing assistance to households, small businesses, nonprofits, and impacted industries, such as tourism, travel, and hospitality;
2. Respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the recipient that perform essential work or by providing grants to eligible employers that have eligible workers who are performing essential work;
3. Provide government services, to the extent of the reduction in revenue of the eligible entities due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the eligible entities prior to the emergency; and
4. Make necessary investments in water, sewer, or broadband infrastructure.

II. PROGRAM PROCEDURES

A. Overview

Sections 602 and 603 of the Social Security Act (the "Act"), as added by section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (Mar. 11, 2021), codified at 42 USC 802 and 803, authorized the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund, respectively (referred to collectively as the "Coronavirus State and Local Fiscal Recovery Funds" or "SLFRF"). SLFRF is administered by the Treasury and provides assistance in the form of direct payments for specified uses. SLFRF provides \$350 billion for payments to eligible entities.

The total allocations to the eligible entities under SLFRF are as follows:

1. \$195.3 billion reserved for making payments to the 50 states and the District of Columbia;

2. \$4.5 billion reserved for making payments to the US territories;
3. \$20 billion reserved for making payments to tribal governments;
4. \$45.57 billion reserved for making payments to metropolitan cities;
5. \$65.1 billion reserved for making payments to counties; and
6. \$19.53 billion reserved for making payments to states for distribution to NEUs.

Prior to receipt of award funds, all eligible entities are required to execute a Financial Assistance Agreement, which includes the Award Terms and Conditions that recipients must comply with in carrying out the objectives of their award, as well as the certification required by 42 USC section 802(d)(1). Tribal and local governments are not required to provide such certification as a condition of receiving payment under SLFRF. Eligible entities are required to use their award funds as set forth in 42 USC sections 802(c)(1) and 803(c)(1) and Treasury's Final Rule, 31 CFR Part 35 to meet pandemic response needs and rebuild a strong, more equitable economy as the country recovers.

Source of Governing Requirements

The Coronavirus State and Local Fiscal Recovery Funds program is authorized by sections 602 and 603 of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (Mar. 11, 2021), codified at 42 USC sections 802 and 803, and implemented by Treasury's [Interim Final Rule](#) and [Final Rule](#) at 31 CFR Part 35.

On January 6, 2022, the Treasury adopted a Final Rule to implement the requirements of the SLFRF program. The Final Rule responded to comments Treasury received on the Interim Final Rule and became effective on April 1, 2022.

Along with the Final Rule, Treasury published a *Statement Regarding Compliance with the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule and Final Rule* (See <https://home.treasury.gov/system/files/136/SLFRF-Compliance-Statement.pdf>) that clarifies the transition from compliance with the Interim Final Rule to compliance with the Final Rule. Recipients should also review the Final Rule for additional information.

Recipients must comply with the Final Rule beginning on April 1, 2022. Prior to April 1, 2022, recipients were permitted to take actions and use funds in a manner consistent with the Final Rule, and Treasury will not take action to enforce the Interim Final Rule if a use of funds is consistent with the terms of the Final Rule, regardless of when the SLFRF funds were used. This means that Treasury will not take action to enforce

against uses in accordance with the Interim Final Rule to the extent that the recipient wishes to change its planned uses of SLFRF funds in a manner consistent with the Final Rule.

Prior to April 1, 2022, the Interim Final Rule remained in effect. Accordingly, recipients were able to obligate and expend funds in a manner consistent with the Interim Final Rule prior to April 1, 2022. In addition, Treasury recognizes that recipients took steps to use SLFRF funds for projects in a manner consistent with the Interim Final Rule prior to adoption of the Final Rule. To the extent that a recipient took significant steps toward obligating SLFRF funds in a manner consistent with the Interim Final Rule prior to January 6, 2022, Treasury will generally not take action to enforce provisions contained in the Final Rule, to the extent that they are more restrictive than those in the Interim Final Rule. Such significant steps include initiation of procurement or grantmaking actions, detailed planning of projects or programs, appropriation of funds, and other significant planning steps.

Auditors must audit recipients on award funds they expended for their fiscal year 2023 based on the requirements set forth in 42 USC sections 802 and 803, Treasury's Interim Final Rule, Treasury's Final Rule, and Frequently Asked Questions (FAQs), as applicable. If an expenditure is not consistent with the Final Rule, then auditors should consult the Statement in order to determine how to assess the applicability of the Interim Final Rule.

Auditors should note that the [Consolidated Appropriations Act, 2023](#) amended Sections 602 and 603 of the Social Security Act to provide state, local, and Tribal governments the flexibility to use SLFRF funds for additional eligible uses. See Division LL, Section 102 of the Consolidated Appropriations Act, 2023. Additional guidance will be forthcoming and available on the Treasury website.

Availability of Other Program Information

Additional information on the requirements for SLFRF is available through the program webpage on Treasury's website at [Coronavirus State and Local Fiscal Recovery Funds | US Department of the Treasury](#).

SLFRF's Compliance and Reporting Guidance can be found at [Recipient Compliance and Reporting Responsibilities | US Department of the Treasury](#).

The Compliance and Reporting Guidance provides additional detail and clarification for each recipient's compliance and reporting responsibilities and should be read in concert with the Award Terms and Conditions, the authorizing statute, the Interim Final Rule and Final Rule, as applicable, and other regulatory and statutory requirements.

The [Final Rule](#), an overview of the Final Rule, and FAQs about SLFRF are available on the program webpage on Treasury's website at <https://home.treasury.gov/policy->

[issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds.](#)

The FAQ documents contain answers to frequently asked questions regarding the Interim Final Rule and the Final Rule. Treasury intends to update the Final Rule FAQs periodically in response to questions received from stakeholders. The Final Rule FAQs are applicable to the Final Rule, although readers will notice that many FAQs have been incorporated from the Interim Final Rule FAQs, because they remain applicable. Answers to frequently asked questions that are unique to the Interim Final Rule remain available on the Treasury website. The Final Rule FAQs include a categorization to assist readers in identifying the FAQs that remain largely the same as in the Interim Final Rule FAQs and the FAQs that are new or have been updated in conformity with the Final Rule.

Statement Regarding Compliance with the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule and Final Rule can be found at <https://home.treasury.gov/system/files/136/SLFRF-Compliance-Statement.pdf>.

The Statement clarifies the transition from compliance with the Interim Final Rule to compliance with the Final Rule. Recipients should also review the Final Rule for additional information.

III. COMPLIANCE REQUIREMENTS

Preconditions for the Compliance Examination Engagement- ACEEs should be performed consistent with, and in addition GAO's *Government Auditing Standards*, AT-C 205, [Examination Engagements](#), and AT-C 315, [Compliance Attestation](#). As a precondition to this compliance examination engagement, the practitioner should determine that:

1. management can provide evidence to the practitioner that it meets the recipient eligibility criteria for the alternative compliance examination engagement as outlined in Section A, "Recipient Eligibility";
2. management accepts responsibility for the entity's compliance with the compliance requirements below and the entity's internal control over compliance; and
3. management evaluates the entity's compliance with the compliance requirements in this section.

Compliance Requirements Relevant to the Compliance Examination Engagement- The requirements noted with a "Y" in the "Matrix of Compliance Requirements" below are subject to the compliance examination engagement.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment/Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	N	N	N	N	N	N	N	N	N

A. Activities Allowed or Unallowed

Recipients may use SLFRF payments for any eligible expenses subject to the restrictions set forth in sections 602 and 603 of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021 as codified by 42 USC sections 802 and 803, respectively. Recipients may also use payments subject to the restrictions set forth Division LL, Section 103 of the Consolidated Appropriations Act, 2023, Treasury's Interim Final Rule and Final Rule at 31 CFR Part 35, and FAQs available at <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf> and <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf>.

1. *Activities Allowed*- Suggested Examination Procedures

- a. Obtain an understanding of the design of relevant portions of internal control over compliance regarding unallowable activities by performing some or all of the following:
 - (1) Inquiries of appropriate management, supervisory, and staff personnel
 - (2) Inspection of the entity's relevant documents
 - (3) Observation of the entity's activities and operations
 - (4) Review a sample of SLFRF expenditures to determine if recipients used SLFRF funds for ineligible uses

1. *Activities Unallowed*- The following activities are not permitted under SLFRF:

- a. Offset a reduction in net tax revenue (applicable to states and territories)
- b. Deposits into pension funds (applicable to all recipients except Tribes)

- c. Debt service or replenishing financial reserves (e.g., “rainy day funds”) (applicable to all recipients)
- d. Satisfaction of settlements and judgments (applicable to all recipients)
- e. Programs, services, or capital expenditures that include a term or condition that undermines efforts to stop the spread of COVID-19 (applicable to all recipients)

Examination Objective Determine whether the recipients used SLFRF funds for ineligible uses.

B. Allowable Cost/Cost Principles

Compliance Requirement- Recipients that are eligible for the alternative compliance examination engagement may elect the standard allowance for revenue loss, pursuant to which they could use the entirety of their allocation for the provision of government services. Recipients are required to comply with 2 CFR 200.404(e) regarding reasonable costs, and, as such, are required to not deviate from their established practices and policies regarding the incurrence of costs.

[Final Rule FAQ 13.15](#) outlines that Given the purpose and very broad scope of eligible uses of the revenue replacement funds, only a subset of the requirements in 2 CFR part 200, Subpart E apply to recipients’ use of such funds, as follows:

- 2 CFR 200.400(a) - (c), and (e) Policy guide;
- 200.403(a), (c), (d), (g), and (h) Factors affecting allowability of costs; and
- 200.404(e) Reasonable costs.

Examination Objective- Determine whether the recipient significantly deviated from its established practices and policies regarding the incurrence of costs.

1. Suggested Examination Procedures

- a. Obtain an understanding of the design of relevant portions of internal control over compliance and established practices and policies regarding the incurrence of costs by performing some or all of the following:
 - (1) Inquiries of appropriate management, supervisory, and staff personnel
 - (2) Inspection of the entity's relevant documents

- (3) Observation of the entity's activities and operations
- (4) Test a sample of SLFRF expenditures to determine that the recipient treated costs consistently with its established practices and policies.

L. REPORTING

As described in the GAO *Government Auditing Standards*, and elaborated upon in AICPA standards, the practitioner issues the following reporting in the alternative compliance examination engagement:

- Practitioner's Examination Report prepared in accordance with [AT-C 315](#) and [Government Auditing Standards](#).
- Schedule of Findings and Responses (if applicable) that includes findings required to be reported under *Government Auditing Standards*.

IV. OTHER INFORMATION

A. COMPLIANCE EXAMINATION ENGAGEMENT SUBMISSION INSTRUCTIONS

The submission deadlines for the alternative compliance examination engagement are the same as those for single audits and program specific audits due in accordance with 2 CFR Part 200, Subpart F. Therefore, the results of the alternative compliance examination engagement must be submitted by the auditee to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period.

Instructions for how recipients are to submit the ACEE can be found on pages 1 to 14 of the Federal Audit Clearinghouse guidance located at [https://facides.census.gov/Files/IDES%20Manual%202022%20\(UG\).pdf](https://facides.census.gov/Files/IDES%20Manual%202022%20(UG).pdf)

Also, please refer to the related SLFRF certification statement on page 13 of the Single Audit Checklist, Instructions, and Form located at <https://facides.census.gov/Files/2022%20Checklist%20Instructions%20and%20Form.pdf>.

DEPARTMENT OF THE TREASURY**ASSISTANCE LISTING 21.029 CORONAVIRUS CAPITAL PROJECTS FUND****I. PROGRAM OBJECTIVES**

Note: This program is considered a “higher risk” program for 2023, pursuant to 2 CFR section 200.519(c)(2). Refer to the “Programs with Higher Risk Designation” section of Part 8, Appendix IV, Internal Reference Tables, for a discussion of the impact of the “higher risk” designation on the major program determination process. Auditors are advised to consult 200.518, and in particular 200.518(d)(2) with regards to the Coronavirus Capital Projects Fund (CPF) allocations to Tribal governments and the State of Hawaii for Native Hawaiian Programs given their relatively small amount, approximately \$167,504.

Note: The CPF permitted Tribal governments to leverage a consortium to accomplish the objectives of the CPF program. A consortium is an association of two or more Tribal governments pooling CPF resources together. Subject to agreement and/or delegation of authority, Tribal governments may receive money directly from Treasury and then provide funds to a consortium or a consortium may receive funds directly from Treasury and then provide the funds to Tribes. The distribution of CPF funds should be included as expenditures in the Schedules of Expenditures of Federal Awards (SEFA) of CPF recipients.

The purpose of the CPF is to provide grants to states (defined to include the 50 states, the District of Columbia and Puerto Rico), U.S. territories and freely associated states (United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau), and Tribal governments, to carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency with respect to the Coronavirus Disease (COVID-19).

II. PROGRAM PROCEDURES**A. Overview**

Section 604 of the Social Security Act, as added by section 9901 of the American Rescue Plan Act of 2021 (the “Act”), Pub. L. No. 117-2 (Mar. 11, 2021), codified at 42 U.S.C. section 804, authorized the \$10 billion Coronavirus Capital Projects Fund (“CPF”). The CPF is administered by the U.S. Department of the Treasury (“Treasury”) and provides assistance in the form of grants.

Recipients may use CPF funds to carry out capital projects that (1) directly enable work, education, and health monitoring; (2) address a need that results from or was exacerbated by the COVID-19 public health emergency; and (3) address a critical need of unserved or underserved populations. Examples include:

- Investments in broadband infrastructure in eligible areas that meet certain speed requirements.

- Investments in digital connectivity technologies, such as devices, public computer facilities, and public Wi-Fi infrastructure that facilitate Internet access.
- Construction or renovation of multi-purpose community facilities that jointly enable work, education, and health monitoring.
- Other capital projects that meet the program requirements.

Under Section 42 U.S.C. section 804(b)(1)(A), each of the states (including the District of Columbia and Puerto Rico) is allocated a fixed amount of \$100 million, totaling \$5.2 billion. States may also receive a portion of the remaining \$4.6 billion, to be allocated in accordance with the requirements set forth in 42 U.S.C. section 804(b)(2)(A):

- 50 percent (\$2.3 billion) of such amount shall be allocated among the states based on the proportion that the population of each state bears to the population of all states;
- 25 percent (\$1.15 billion) of such amount shall be allocated among the states based on the proportion that the number of individuals living in rural areas in each state bears to the number of individuals living in rural areas in all states; and
- 25 percent (\$1.15 billion) of such amount shall be allocated among the states based on the proportion that the number of individuals with a household income that is below 150 percent of the poverty line applicable to a family of the size involved in each state bears to the number of such individuals in all states.

42 U.S.C. section 804(b)(1)(B) directs the secretary to pay a total of \$100 million divided in equal shares among United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau. 42 U.S.C. section 804 (b)(1)(C) directs the secretary to pay a total of \$100 million divided in equal shares to tribal governments and the State of Hawaii for the exclusive use of the Department of Hawaiian Home Lands and the Native Hawaiian Education Programs. Using the statutory formulas found in 42 U.S.C. sections 804(b)(1) and (2) , Treasury calculated and published the allocation for each eligible entity along with the specific calculation methodologies used for all eligible entities (see “Allocation Information” at <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/capital-projects-fund>). State allocations vary. Each tribal government is allocated \$167,504. Each U.S. territory and freely associated state is allocated \$14,285,714.

Source of Governing Requirements

The CPF is authorized by section 604 of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (Mar. 11, 2021), codified at 42 U.S.C. 804; and is implemented by Treasury’s Guidance for States and Freely

Associated States and Treasury's Guidance for Tribal Governments (together, Treasury's Guidance), link provided below.

Auditors should refer to the 42 U.S.C. section 804, Treasury's Guidance, FAQs, Capital Projects Fund Compliance and Reporting Guidance for States, Territories, and Freely Associated States, Grant Agreements, and approved Grant Plans, and Program Plans. Treasury's Guidance and the FAQs can be accessed on the Treasury website via the links provided below. The Grant Agreements and approved Grant Plans and Program Plans can be obtained from grant recipients.

Availability of Other Program Information

1. Treasury's Guidance for States, Territories and Freely Associated States can be found at <https://home.treasury.gov/system/files/136/Capital-Projects-Fund-Guidance-States-Territories-and-Freely-Associated-States.pdf>. This guidance provides States, Territories and Freely Associated States a summary of project eligibility and terms and conditions, as well as information about the process for applying for a grant under the Capital Projects Fund program.
 - Project eligibility is described starting on page 3.
 - An explanation of "directly enable work, education and healthcare" starting on page 7.
 - Eligible and ineligible costs starting on page 10. Please consult with FAQ's in conjunction with this audit.
 - Period of Performance starting on page 12.
 - Certain other requirements are discussed starting on page 18.
 - FAQ #2.9 marks a change from the previously published guidance.
2. Treasury's Guidance for Tribal Governments can be found at <https://home.treasury.gov/system/files/136/Capital-Projects-Fund-Guidance-Tribal-Governments.pdf>. This guidance provides Tribal Governments a summary of project eligibility and terms and conditions, as well as information about the process for applying for a grant under the Capital Projects Fund program.
 - Project eligibility is described starting on page 3.
 - An explanation of "directly enable work, education, and healthcare" starts on page 7.
 - Eligible and ineligible costs can be found beginning on page 10. FAQ's in conjunction with this audit.
 - Other requirements discussed on page 16.

- FAQ #2.9 marks a change from previously published guidance.
3. FAQs about the Fund are outlined on the program webpage on Treasury’s website at [Coronavirus Capital Projects Fund FAQs \(treasury.gov\)](https://home.treasury.gov/system/files/136/CPF-Reporting-Guidance-for-States.pdf).

FAQs are considered to be guidance for the CPF program. FAQs generally clarify or supplement existing guidance, but may also modify existing guidance. New FAQs may be published in the future, and will include the date of publication.

4. Treasury’s Compliance and Reporting Guidance for States, Territories, and Freely Associated States (State Reporting Guidance) can be found at <https://home.treasury.gov/system/files/136/CPF-Reporting-Guidance-for-States.pdf>

This guidance provides additional detail and clarification about reporting and compliance responsibilities for States, territories, and freely associated states under the CPF Program.

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an “N.” See the Safe Harbor Status discussion in Part 1 for additional information.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment and Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement and Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	Y	N	N	N	Y	Y	N	Y	Y	N

A. Activities Allowed or Unallowed**1. Activities Allowed**

- a. States, Territories, and Freely Associated States and their Subrecipients CPF is designed to provide funding for States, Territories and Freely Associated States' capital projects that meet all three criteria below:
 - (1) directly enable work, education, and health monitoring,
 - (2) designed to address a critical need that resulted from or was made apparent or exacerbated by the COVID-19 public health emergency, and
 - (3) designed to address a critical need of the community.
- b. Presumptively eligible projects include:
 - (1) Broadband infrastructure projects designed to deliver service that meets or exceeds symmetrical download and upload speeds of 100 Mbps.
 - (2) Digital connectivity technology projects that involve the purchase and/or installation of devices and equipment to facilitate broadband internet access, where affordability has been identified by the Recipient as a barrier to broadband adoption and use.
 - (3) Multi-purpose community facilities that are designed to jointly and directly enable work, education, and health monitoring.
- c. If the recipient proposes a different use of funds, projects may additionally be approved by Treasury on a case-by-case basis provided they meet the enumerated criteria above. These criteria are described in detail in the Capital Projects Fund Guidance for States, Territories and Freely Associated States (*see* (I.C.c: Case-by-Case Review)).
- d. States, territories, and freely associated states may only use CPF funds for costs associated with Program Plans that have been approved by Treasury, or for eligible program administrative costs.
- e. Tribal Governments:
 - (1) An eligible Tribal government may apply individually, jointly with other Tribes, or through an organization, consortium, or similar entity. A designation letter, signed by the Tribal government's duly authorized Tribal official, must be received by Treasury if anyone other than the Tribal government is submitting the CPF application.

- f. An approved CPF application must meet all three criteria below:
 - (1) directly enable work, education, and health monitoring,
 - (2) designed to address a critical need that resulted from or was made apparent or exacerbated by the COVID-19 public health emergency, and
 - (3) designed to address a critical need of the community.
- g. Presumptively eligible projects include:
 - (1) Broadband infrastructure projects designed to deliver service that meets or exceeds symmetrical download and upload speeds of 100 Mbps.
 - (2) Digital connectivity technology projects that involve the purchase and/or installation of devices and equipment to facilitate broadband internet access, where affordability has been identified by the Recipient as a barrier to broadband adoption and use.
 - (3) Multi-purpose community facilities that are designed to jointly and directly enable work, education, and health monitoring.
 - (4) Projects may additionally be approved by Treasury on a case-by-case basis provided they meet the enumerated criteria above. These criteria are described in detail in the Capital Projects Fund Guidance for Tribal Governments.
 - (5) Tribal recipients may only use CPF funds for costs associated with applications that have been approved by Treasury, or for eligible program administrative costs. Auditors should refer to the approved application when testing the compliance requirements.

2. *Activities Unallowed*

- a. Activities that may not be funded by the CPF include but are not limited to:
 - (1) General infrastructure projects, such as highways, bridges, transit systems, and ports, are not eligible under the CPF program.
 - (2) General construction and improvement of hospitals and traditional schools are not presumed to be eligible, although, there may be

opportunities for such projects to receive funding under the CPF program if they meet the project eligibility criteria. Such projects will be reviewed on a case-by-case basis.

- b. The following costs are not eligible, unless otherwise permitted by Treasury:
 - (1) Acquisition of spectrum licenses;
 - (2) Operating expenses, other than grant administration costs (limited to \$25,000 or 5 percent of the grant award, whichever is greater);
 - (3) Short-term operating leases;
 - (4) Payment of interest or principal on outstanding debt instruments, or other debt service costs incurred prior to March 15, 2021;
 - (5) Fees or issuance costs associated with the issuance of new debt;
 - (6) Satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring plan in a judicial, administrative, or regulatory proceeding;
 - (7) To support or oppose collective bargaining. This does not affect the ability to use funds to comply with 41 CFR Part 60-14.

B. Allowable Cost/Cost Principles

Allowable costs are determined in accordance with the cost principles identified in 2 CFR Part 200, Subpart E. Treasury does not intend for the Uniform Guidance definition of “capital assets” to limit eligible investments under the CPF program. For purposes of the CPF program, “Capital Project” or “Project” means the construction, purchase, and installation of, and/or improvements to capital assets where the costs of such assets are capitalized or depreciated, including ancillary costs necessary to put the capital asset to use as further described in the Treasury’s Guidance and FAQs. This definition may be found in Section IV of Treasury’s Guidance.

Infrastructure projects funded solely with CPF award funds are not subject to the Buy America Preference requirements set forth in section 70914 of the Build America, Buy America Act included in the Infrastructure Investment and Jobs Act, Pub. L. No. 117-58. CPF grant recipients may use CPF award funds to match other federal funds to the extent that they are permitted by statute. For example, CPF funds may be used to meet the matching requirements for the Infrastructure Investment and Jobs Act (IIJA) Division F, Title I, Sec. 60102 (h)(3)(B)(iii)(I)(dd). CPF recipients should ensure that the program or project is an acceptable use of funds for the other federal funding stream. CPF grant funding may not be used for costs that will be reimbursed by the other federal or state

funding stream; CPF funds must be used only for complementary purposes.

Additional guidance on the treatment of equipment and real property allowable costs will be forthcoming.

C. Cash Management

1. *State and U.S. Territory Recipients* - Although not a requirement per 2 CFR 200.305, Treasury has assessed that as of calendar year 2022, all state and U.S. territory recipients are subject to Part B of the Cash Management Improvement Act. Additional guidance can be found on page 12 of the State Reporting Guidance.

1. *Tribal Recipients*- Treasury has made the determination that if a Tribal recipient fully disburses award funds before the end of the period of performance, the timing and number of advance payments made by Treasury are as close as is administratively feasible to the actual disbursements by a Tribal recipient, and are therefore in compliance with 2 CFR 200.305(b)(1). Please see FAQ 3.7. Guidance related to Tribal government interest tracking and retention requirements may be found in FAQ 3.8 and 3.9.

H. Period of Performance

Funding must be used to cover eligible costs that are incurred during the period that begins on the date that the Grant Agreement is executed and ends on December 31, 2026. Recipients are permitted to use CPF grant award funds for pre-award costs incurred after March 15, 2021, but before their Grant Agreement is executed, but only if they provided reasonable assurance to Treasury that the costs were incurred pursuant to the negotiation of and in anticipation of the Capital Projects Fund award and are necessary for the efficient and timely performance of the Project. Such costs are allowable only to the extent they would have been allowable if incurred after the date of the Capital Projects Fund award and only with the written approval of Treasury. For the avoidance of doubt, unless otherwise provided, Treasury's approval of the Recipient's applicable Program Plan shall constitute written approval of pre-award costs that are identified in the Program Plan.

Additional information regarding pre-award costs may be found at [State, Territory, and Freely Associated States Guidance](#) page 10, Tribal Guidance page 10, FAQ #1.4, FAQ 4.10, and on page 12 of the State Reporting Guidance.

Additional information regarding Period of Performance, in general, can be found at State, Territory, and Freely Associated States Guidance page 12, Tribal Guidance page 12, FAQ #1.4, FAQ #2.4, and FAQ #3.7.

I. Procurement and Suspension and Debarment

1. Procurement

See Part 3, Section I, "Procurement and Suspension and Debarment" for a general description of the compliance requirements associated with procurement, the related audit objectives, and suggested audit procedures.

Infrastructure projects funded solely with CPF award funds are not subject to the Buy America Preference requirements set forth in section 70914 of the Build America, Buy America Act included in the Infrastructure Investment and Jobs Act, Pub. L. No. 117-58.

2. *Suspension and Debarment*

See Part 3, Section I, “Procurement and Suspension and Debarment” for a general description of the compliance requirements, the related audit objectives, and suggested audit procedures.

L. Reporting

The following applicable reporting requirements include all CPF recipients except for Tribal Governments.

1. **Financial Reporting**

- a. *SF-270, Request for Advance or Reimbursement* –Applicable, submitted via Treasury’s reporting portal.
For Project and Expenditure Report reporting requirements, please refer to pages 4 – 10 of <https://home.treasury.gov/system/files/136/CPF-Reporting-Guidance-for-States.pdf>
- b. *SF-271, Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable
- c. *SF-425, Federal Financial Report* – Not Applicable

2. **Performance Reporting**

This guidance does not apply to Tribal governments.

Project and Expenditure Report for States, Territories & Freely Associated States

PRA Number: 1505-0277

Reporting Cycle: Quarterly

Authoritative Requirement: States, Territories & Freely Associated States:

<https://home.treasury.gov/system/files/136/Capital-Projects-Fund-Guidance-States-Territories-and-Freely-Associated-States.pdf>

Blank Copy of the Report: Coronavirus Capital Projects Funds Compliance and Reporting Guidance for States, Territories, and Freely Associated States

<https://home.treasury.gov/system/files/136/CPF-Reporting-Guidance-for-States.pdf>

Report Instructions: Coronavirus Capital Projects Funds Compliance and Reporting Guidance for States, Territories, and Freely Associated States can be found on pages

11 to 13 of the Guidance accessed via the following link

<https://home.treasury.gov/system/files/136/CPF-Reporting-Guidance-for-States.pdf>

Report Corrections: ORP's reporting portal has built-in functionality to reopen a report and allow recipients to make edits after the reporting deadline. However, it is ORP's policy that recipients may only make revisions if authorized by Treasury staff for a period of up to 60 days after the reporting deadline. After the revision period ends, the report is final. A resubmitted report becomes a recipient's final report within ORP's reporting portal. Recipients can generate PDFs of this report at any time.

Key Line Items- The following line items contain critical information:

1. *Obligations and Expenditures*

- a. Quantifiable Objective Criteria: Subrecipient Reimbursement Documentation of reported obligations and expenditures do not exceed total award amount. (See pages 12 and 13 of the [Reporting Guidance](#))

- (1) Current period obligation
- (2) Cumulative obligation
- (3) Current period expenditure
- (4) Cumulative expenditure

2. *Administrative Expenses*

- a. Quantifiable Objective Criteria: Recipient Reimbursement Documentation for Administrative Expenses as reported, which does not exceed 5% of the total award or \$25,000, whichever is greater (unless Treasury specifically authorized a higher amount) (See page 3 of the Reporting Guidance)

- (1) Current period obligation
- (2) Cumulative obligation
- (3) Current period expenditure
- (4) Cumulative expenditure

3. *Broadband Infrastructure Projects: Miles of Fiber Purchased using CPF/Reported (As Applicable)*

- a. Quantifiable Objective Criteria: Subrecipient Reimbursement Documentation for Miles of Fiber Purchased with CPF funds as

Reported for Broadband Infrastructure Projects is within 10% difference or less from the total number reported. (See page 6 of the Reporting Guidance)

4. *Digital Connectivity Technology Projects*: Total Number of Devices Purchased using CPF/Reported (As Applicable)
 - a. Quantifiable Objective Criteria: Subrecipient Reimbursement Documentation Supporting the Number of Devices Purchased with CPF Funding as Reported for Digital Connectivity Technology Projects is within 10% difference or less from the total number reported. (See page 7 of the Reporting Guidance)
5. *Multi-Purpose Community Facility Projects*: Square Footage funded by CPF/Reported (As Applicable)
 - a. Quantifiable Objective Criteria: Subrecipient Reimbursement Documentation Supporting the Square Footage Reported for Multi-Purpose Community Facility Projects is within 10% difference or less from the total number reported. (See pages 7 and 8 of the Reporting Guidance)

3. Special Reporting

Not Applicable.

4. Special Reporting for Federal Funding Accountability and Transparency Act

Applicable. See Part 3.L for audit guidance.

DEPARTMENT OF THE TREASURY

ASSISTANCE LISTING 21.032 LOCAL ASSISTANCE AND TRIBAL CONSISTENCY FUND

I. PROGRAM OBJECTIVES

Section 605 of the Social Security Act (the Act), as added by section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (March 11, 2021) and codified by 42 U.S.C. 805, established the Local Assistance and Tribal Consistency Fund (LATCF). The LATCF provides \$2 billion in total funding for payment by Treasury to eligible revenue sharing counties and eligible Tribal governments across fiscal years 2022 and 2023 for revenue enhancement.

42 U.S.C. 805(c) provides that “an eligible revenue sharing county, an eligible Tribal government, or an eligible revenue sharing consolidated government may use funds provided under a payment made under this section for any governmental purpose other than a lobbying activity.”

II. PROGRAM PROCEDURES

A. Overview

The LATCF reserves \$250 million to allocate and pay to eligible Tribal governments for each of the fiscal years 2022 and 2023 and reserves \$750 million to allocate and pay to eligible revenue sharing counties for each of the fiscal years 2022 and 2023.

Under this program, recipients have broad discretion on uses of funds, similar to the ways in which they may use funds generated from their own revenue sources. All funds are available to recipients until expended or returned to Treasury.

B. Eligible Use of Funds

The LATCF provides flexible support for eligible revenue sharing counties and eligible Tribal governments to meet their jurisdictions’ needs. Specifically, the statute provides that recipients may use funds for any governmental purpose other than a lobbying activity.

Programs, services, and capital expenditures that are traditionally undertaken by a government are considered to fulfill a “governmental purpose.” For Tribal governments, investing in activities undertaken by Tribal enterprises, such as operating or capital expenditures for businesses that are owned or controlled by a Tribal government, are considered a governmental purpose. Recipients should refer to the [Local Assistance and Tribal Consistency Fund guidance](#) for more information on eligible and ineligible uses.

Source of Governing Requirements

Section 605 of the Social Security Act, as added by Section 9901 of the American Rescue Plan Act

of 2021, codified at 42 U.S.C. 805, and as amended by section 103 of Division LL of the Consolidated Appropriations Act, 2023.

Availability of Other Program Information

- A. Treasury released LATCF guidance which can be found at <https://home.treasury.gov/system/files/136/LATCF-guidance.pdf> (See pages 1 - 10) The guidance document provides detailed information on LATCF.
- B. Treasury has published the methodology used to calculate allocation amounts to eligible Tribal governments, which can be found at <https://home.treasury.gov/system/files/136/605-LATCF-Allocation-Methodology-Summary.pdf> (See pages 1 - 6)
- C. Treasury has published a summary of the methodology used to calculate allocation amounts to eligible revenue sharing counties which can be found at <https://home.treasury.gov/system/files/136/LATCF-Eligibility-and-Allocation-Methodology-for-County-Governments.pdf>. (See pages 1 - 7)
- D. Treasury released LATCF reporting guidance which can be found at <https://home.treasury.gov/system/files/136/LATCF-Reporting-Guidance.pdf>. (See pages 1 - 10)

Each recipient will be responsible for submitting an annual Obligation and Expenditure report to Treasury. The reporting guidance details the reporting requirements for governments that receive LATCF funding including:

- Section I concerns the annual reporting requirements.
- Section II discusses required certifications.
- Section III discusses other information related to reporting, including compliance and record keeping.

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an

“N.” See the Safe Harbor Status discussion in Part 1 for additional information.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment and Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement and Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	N	N	N	N	N	N	Y	N	N

A. Activities Allowed or Unallowed

1. Activities Allowed

- a. Recipients may use LATCF funds for any governmental purpose other than a lobbying activity.
- b. As a general matter, LATCF recipients may treat these funds in a similar manner to how they treat funds generated from their own local revenue. Programs, services, and capital expenditures that are traditionally undertaken by a government are considered to fulfill a “governmental purpose.” For eligible Tribal governments, investing in activities undertaken by Tribal enterprises, such as operating or capital expenditures for businesses that are owned or controlled by a Tribal government, are considered a governmental purpose.
 - a. A non-exhaustive list of example activities that fulfill a governmental purpose include, but are not limited to:
 - (1) Provision of health services, educational services, court services, police, fire, emergency medical, and other public safety services, utilities or sanitation services, and direct assistance to households (including cash assistance);
 - (2) Capital expenditures on core facilities and equipment, including in housing and community development (e.g., schools, hospitals, childcare facilities, and parks and recreation facilities), public safety facilities and equipment (e.g., police vehicles), and government administration buildings;
 - (3) Infrastructure investments, including roads, bridges, water and

sewer systems, utility systems, airports, public transit, and technology infrastructure;

(4) Long-term economic development activities, including affordable housing development, workforce development and other programs to strengthen local communities undergoing economic transitions;

(5) General government operations, such as general government administration, personnel costs, administrative facilities, record keeping, tax assessments, or election administration; and

(6) Meeting another federal program's non-federal match or cost-sharing requirements, unless barred by statute or other applicable law (as outlined in [Guidance for the Local Assistance and Tribal Consistency Fund](#)).

- b. Recipients also may use funds to cover costs of administering the LATCF program, including costs of consultants to support effective management and oversight as well as compliance with legal, regulatory, and other requirements.

2. *Activities Unallowed*

- a. LATCF recipients may not use federal funds to directly or indirectly pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, a jurisdiction, or an official of any government, to favor, adopt, or oppose, by vote or otherwise, any legislation, law, ratification, policy, or appropriation, whether before or after the introduction of any bill, measure, or resolution proposing such legislation, law, ratification, policy, or appropriation. Amounts that are used in violation of the lobbying restriction set forth in this guidance may be subject to recoupment.

B. **Allowable Cost/Cost Principles**

1. Given the LATCF's purpose as a general revenue enhancement program and the broad eligible uses of LATCF funds, Treasury has determined that funds available under the LATCF program constitute revenue sharing. 2 CFR part 200 Subpart E does not apply to LATCF. Per the [Guidance for the Local Assistance and Tribal Consistency Fund](#), this program is only subject to the following provisions in 2 C.F.R. Part 200 (the Uniform Guidance):

- 2 C.F.R. Subpart A (Acronyms);
- 2 C.F.R. 200.100-110 (certain General Provisions);

- 2 C.F.R. 200.203 (public notice of Federal financial assistance programs);
- 2 C.F.R. 200.303 (internal controls); and
- Single Audit Act and its implementing regulations at 2 C.F.R. Part 200 Subpart F.

L. Reporting

1. Financial Reporting

- a. *SF-270, Request for Advance or Reimbursement* – Not Applicable
- b. *SF-271, Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable
- c. *SF-425, Federal Financial Report* – Not Applicable

2. Performance Reporting

Obligation and Expenditure Report

PRA Number: 1505-0276

Reporting Cycle: Annual

Authoritative Requirement: Section 605 of the Social Security Act, as added by Section 9901 of the American Rescue Plan Act of 2021 (Pub. L. No. 117-2) (42 U.S.C. 805)

Blank Copy of the Report: [Reporting Guidance for the Local Assistance and Tribal Consistency Fund \(treasury.gov\)](#)

Report Instructions: [Reporting Guidance for the Local Assistance and Tribal Consistency Fund \(treasury.gov\)](#)

Report Corrections: Office of Recovery Programs' (ORP) reporting portal has built-in functionality to reopen a report and allow recipients to make edits after the reporting deadline. However, it is ORP's policy that recipients may only make revisions if authorized by Treasury staff for a period of up to 60 days after the reporting deadline. After the revision period ends, the report is final. A resubmitted report becomes a recipient's final report within ORP's reporting portal. Recipients can generate PDFs of this report at any time.

Key Line Items- The following line items contain critical information:

1. *Quantifiable Objective Criteria*: Aggregate recipient-reported obligations and expenditures by governmental purpose reporting category matches the recipient's financial statements with no more than a 10 percent difference from the total amount reported (e.g., governmental services, capital expenditures, transportation/water/sewer/technology, other governmental

service). (See pages 3 to 6)

3. Special Reporting

Not Applicable

4. Special Reporting for Federal Funding Accountability and Transparency Act

Recipients meeting the applicable thresholds per the Federal Funding Accountability and Transparency Act of 2006 are only required to report on executive total compensation pursuant to 2 CFR part 170. See Part 3.L for audit guidance.