

# Town of Chevy Chase Policy on Allocating Coronavirus Local Fiscal Recovery Funds under the American Rescue Plan Act (ARPA)

## **Recitals:**

The Town is a recipient of approximately \$2.4 million in Coronavirus Local Fiscal Recovery Funds under the American Rescue Plan Act (ARPA). The fiscal recovery funds are intended to enable state and local governments to respond to the COVID-19 public health emergency, provide premium pay to essential workers, supplement revenue reductions incurred during the pandemic, and to make necessary investment in water, sewer, and broadband infrastructure.

The first tranche has already been deposited; the second tranche will be paid in 2022. The funds must be obligated no later than December 31, 2024. Recipients must return unobligated funds by that date and must return funds not expended to cover obligations by December 31, 2026.

The Town Council recognizes that the purposes for which ARPA funds should be expended are those identified in the Act, Section 603 (c):

“(A) to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

(B) to respond to workers performing essential work during the COVID–19 public health emergency by providing premium pay to eligible workers of the metropolitan city, nonentitlement unit of local government, or county that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;

(C) for the provision of government services to the extent of the reduction in revenue of such metropolitan city, nonentitlement unit of local government, or county due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year of the metropolitan city, nonentitlement unit of local government, or county prior to the emergency; or

(D) to make necessary investments in water, sewer, or broadband infrastructure.”

The Town Council finds that establishing a policy regarding the use of ARPA funds will provide for the equitable and consistent allocation of funds and help to ensure that expenditures are used for purposes consistent with the Act.

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## **Now, Therefore, be it Resolved by the Town Council that:**

The Town Council may decide to allocate ARPA funds to activities qualifying under one or more federal use categories during the lawful period of commitment, that is, through December 31, 2024. The Town Council shall not be required to spend any or all of the allocation.

The Town Council shall adopt the following standard operating procedures for the administration of its ARPA grant.

## **PROCESS AND REQUIREMENTS**

The Town Council shall establish an evaluation process for expenditure of Coronavirus Local Fiscal Recovery Funds.

### **ELIGIBLE ACTIVITIES AND SUBRECIPIENTS**

The Town may fund eligible activities that are implemented by for-profit or nonprofit organizations under one of the four eligible federal use categories set out in the Act and according to the rules, regulations, and interpretive guidance issued by the U.S. Treasury.

### **APPLICATION DEADLINES**

ARPA funds may be allocated to eligible activities through December 24, 2024. Funding requests will be accepted on a rolling basis until the earlier of November 2024 or the date by which all funds have been committed.

### **APPLICATION PROCESS**

#### **I. Written Request**

The request (if from an outside organization) must be submitted in writing to the Town Office on the applicant's letterhead and shall be signed by the applicant's executive director or authorized board representative. Requests also may be submitted by Town residents, Town staff, and the Town Council. At a minimum, the proposal must contain the following information.

- Amount requested
- Anticipated timing of the expenditure of the requested funds
- Benefits to the Town and its residents which would result from the award/expenditure
- A description of how the activity meets one of the four federal use categories set out in the Act and the rules, regulations, and interpretive guidance issued by the U.S. Treasury
- Concise narrative describing the project for which funding is sought, the proposed use of the requested funds, and the need for funding

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All requests also should include the following information and documentation, if applicable to the organization or requestor. The Town Council, may at its discretion, request additional information.

- List of current board members and employees
- Proposed project budget, including income and expenses and a list of other grants and donations secured and/or being sought for the project
- Operating budget for the current year, including income and expenses
- Copy of the most recent Federal Form 990
- For nonprofit organizations, evidence of Federal exemption status under IRS Code Sections 501 (c) (3) and 509 (a) (1) or (2)
- Annual report and/or statement on the applicant's purpose, history and previous accomplishments and current activities

## **II. Determination of Eligibility**

The Town Council, in consultation with the Town Attorney, will review all requests and determine whether they meet one of the four federal use categories set out in the Act and the rules, regulations, and interpretive guidance issued by the U.S. Treasury. If the Town Council determines that the request does not meet the eligibility criteria, the applicant will be notified of the Council's decision.

## **III. Presentation to the Council**

All eligible requests for Town ARPA expenditure shall be included as an agenda item for Town Council discussion at a public meeting, scheduled by the Town. A representative for the requestor must present the request in person to the Town Council at this public meeting. At the public meeting, the Town Council shall determine whether to advance the request to a public hearing.

## **IV. Public Hearing**

Final action by the Town Council will follow the public hearing. If the Town Council votes to fund a request, a subrecipient award letter agreement will be sent to the applicant outlining terms and conditions of the expenditure, per ARPA regulations. This letter agreement shall be signed and dated by the applicant and returned to the Town Office in a timely fashion.

## **REPORTING REQUIREMENTS**

The Town will be required to submit annual Project and Expenditure reports to the Department of the Treasury until the end of the Coronavirus Local Fiscal Recovery Funds award period on December 31, 2026. Therefore, activities funded under this process must document in writing by

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September 30 of each year that the funds were used for the purpose(s) specified in the written request and as approved by the Town Council. The Town Manager will oversee the expenditure reporting process and shall establish appropriate reporting requirements for outside organizations.

Adopted September 30, 2021