

A Fiscal Recovery Funds Primer for Non-Governmental Organizations

Key information about ARPA's Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) can help non-governmental organizations, such as nonprofits, understand the allowable uses of these funds, who may decide how they are used, and when those decisions might be made.

WHAT ARE **FISCAL RECOVERY FUNDS?**

CSLFRF is one of many ARPA funding streams, one that is intended to aid the response to and recovery from the COVID-19 public health emergency and its negative economic impacts. Eligible uses span four broad categories listed below. More detail on these uses are here and here.



COVID Response and Adaptation

Premium pay to essential workers

govt. revenue

investments



Governments receive the funding - and discretion

In the case of states, counties and the largest municipalities, the funds flow directly from the U.S. Treasury to the governments.

decide how to use these funds.
For Non-Entitlement Units (NEUs), funding flows from

each level of government is now beginning to

 These funds have begun to be distributed to governments that have requested them, and

Treasury through the State (via NCPRO) to the NEU.

• NEUs are local governments typically with

50,000 residents or fewer.

<u>Every government receiving LFRF is responsible for</u>

making the decisions about how funds are expended on eligible uses. Contact them to learn more about these decisions and their planning. They are also responsible for tracking and reporting on these funds to Treasury.

A total of \$8,850,048,947 in FRF has been appropriated to North Carolina governmental entities. <u>NCPRO has a detailed breakdown of funding totals</u>, and Treasury lists funding totals <u>per state</u>, <u>per county</u>, and <u>per municipality</u>.

 NCPRO disburses LFRF to NEUs and is publishing a list of individual disbursement amounts as they are made. This list doesn't show the total funding amount, but rather the first of two disbursements with the second to come about a year after the first.



FRF funding totals in North Carolina



nonprofits and other NGOs use these funds?

Treasury's Interim Final Rule allows State and local governments to transfer FRF to a private nonprofit organization for eligible uses.

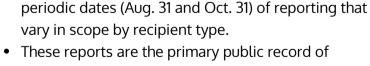
• In North Carolina, however, local governments

may not simply transfer or grant funding to non-governmental organizations. They may use these funds to contract with non-governmental organizations for specific purposes.

Certain uses beneficial to low-income and marginalized groups become eligible when funds are used as revenue loss recovery or within Qualified Census Tracts. More details are here and here.

Treasury released <u>guidance on the reporting and tracking</u>
<u>requirements</u> for these funds.

• Page 12 of the linked document lists the one-time and



 These reports are the primary public record of projects funded, expenditures, and contract/subawards.

In addition to mandated reporting, non-governmental organizations can become aware of local funding uses by engaging in proactive and thoughtful planning with their local governments contacts.



funding decisions, uses



Key distinctions to know

distinct from FRF going to local governments.Local governments have sole discretion over Local

Think of FRF going to State government as related but

- FRF uses while the State can place further restrictions on State FRF going to entities in NC.
 Like all decisions on State appropriations, the
 - Like all decisions on State appropriations, the Governor's proposal for these funds requires Legislative action.

Legislative action.

Treasury guidance determines the eligible uses of these funds, as do both Federal and State law.

NC League of Municipalities

Want to learn more? Reach out to