

NCACC “Ask an ARPA Expert” Overview

ARPA Community Partnerships

March 31, 2023



North Carolina
Association of
County Commissioners

On March 31, 2023, NCACC hosted a virtual panel discussion, “Ask an ARPA Expert,” which featured a broad range of subject matter experts. The panel discussed the use of American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF) for projects involving subrecipients and contractors and strategies to enhance communication between the county and its community partners. Below are key takeaways from the meeting.

Know the Expenditure Category for the Project

When using ARPA funds on a project in conjunction with a community partner, build a road map based on the relevant ARPA expenditure category for the project.

- Projects categorized under Expenditure Category (E.C.) 6.1 “Revenue Replacement” have minimal federal uniform guidance compliance and reporting requirements (see [Final Rule FAQs 13.14 and 13.15](#)). Among other things, these projects do not give rise to subawards, so counties should follow state law, appropriate case law, and ensure the contract provisions include the objectives to be achieved, specified results and performance standards. *Counties that received \$10 million or less in ARPA funds should categorize *ALL ARPA projects* under E.C. 6.1/Revenue Replacement.
- Projects categorized outside E.C. 6.1/Revenue Replacement (ex. responding to the negative public health and economic impacts of the pandemic, providing premium pay, or investments in water, sewer and broadband infrastructure) may trigger more complex uniform guidance and reporting requirements such as implementing federal subaward oversight, federal procurement, property management, or program income procedures.

Be Clear About the Desired Results

Remember community partners are service providers and the more specific you can be about your program goals the better. Commissioners and the federal government want to see results, and there are ways to make it easy for everyone to comply and demonstrate that desired performance was achieved. There are opportunities throughout the procurement process to reinforce your county’s goals and community partners will appreciate having this information on the front end.

- Create clear and specific objectives in the RFP and state the source of funding for the project.
- Provide information in the RFP on how proposals will be evaluated and get commissioners to buy into the evaluation process on the front end.
- Hold a mandatory pre-proposal conference right after the RFP is published to clarify requirements.
- After partners are selected, create reporting templates and budget and reporting metrics for the project.
- Hold a group session for your partners to explain what, how, and why you need to collect the required information, and provide ongoing technical assistance to community partners.

Check for Conflicts of Interest

There are conflict of interest standards outlined in federal uniform guidance ([2 CFR 200.318](#)) and state law that are applicable to ARPA funds. Work with your county attorney to ensure Board members with conflicts recuse themselves from voting to budget or appropriate ARPA funds¹. Click [here](#) for a sample Conflicts of Interest policy compiled by the UNC School of Government.

Know the Relationship Type

When spending ARPA funds outside E.C. 6.1/Revenue Replacement, it’s important to determine the type of relationship you’re establishing (see [2 CFR 200.331](#)) with your community partner because compliance is different depending on the entity type. Also, U.S. Treasury reporting now requires counties to designate an “entity type” for partners that receive ARPA funding. The county must also report the entity’s Unique Entity Identification (UEI). See the next page for more information on obtaining a UEI.



Need Help Designing the Entity Type for Your Community Partner?

Subrecipient	<p>If a county is providing SLFRF funds to the entity for the purpose of carrying out a program or project on its behalf, the entity is a subrecipient. To fund a subaward, the county must have state law authority to undertake the activity. Subrecipients require the highest level of attention. The county must conduct a risk assessment and implement a monitoring protocol that is tied to the assessed level of risk posed by the entity. Counties need a written agreement with enough detailed information and performance obligations to account for the subrecipient’s delivery of services. The county must track expenditures, document the subrecipient’s compliance with basic financial controls, allowable cost reviews, and obtain a detailed budget broken down by federal cost items. Click here for subrecipient management tools compiled by the UNC School of Government.</p>
Contractor	<p>If a county uses SLFRF funds to pay another entity to obtain goods or services for the county, the entity is a contractor. Contractors are closer to a vendor relationship with the county. They often exist in a competitive environment, with multiple providers of similar service. An example is partnering with a contractor to build a mobile learning unit that the county can use to increase education access. The unit is the product of the relationship.</p>
Beneficiary	<p>If a county uses SLFRF funds to provide direct benefits to an individual or entity to address the negative public or economic impacts of the pandemic, the entity is considered a beneficiary. NC counties have limited authority to provide direct support to non-profits or community organizations. Some exceptions may include rescue squads, fire departments, art museums/galleries, hospitals and institutions that work with the developmentally disabled. Click here for more details.</p>

**Expenditures in Expenditure Category 6.1 “Revenue Replacement” do not give rise to subawards. Therefore, counties receiving \$10 million or less in ARPA funds and categorize all ARPA under E.C. 6.1 do not have subrecipients.*

Does Your Community Partner Need Help Obtaining a UEI?

The Unique Entity Identifier (UEI) is a number issued by the System for Award Management (SAM) to identify businesses and other entities that do business with the federal government. The UEI has replaced the DUNS number as the authorized identifier for the federal government. Visit SAM.GOV to get a Unique Entity ID. Click [here](#) to access a video tutorial demonstrating how to request a Unique Entity ID number. Your community partner will need to enter the following information to get a Unique Entity ID:

- Legal Business Name.
- Physical Address (A post office box may not be used as your physical address).
- Date of Incorporation.
- State of Incorporation (U.S. entities only).
- The entity name and address will be validated by SAM.gov. If SAM.gov cannot validate the entity, they can create a help ticket with the Federal Service Desk from the page.
- Once the entity receives their Unique Entity ID, they can continue pursuing additional registration types if they choose.
- The entity will also select whether they want to be visible in public search results.

¹ [SB 473/ SESSION LAW 2021-191](#), Enhance Local Government Transparency, which was enacted December 9, 2021. Section 4 of the new law prohibits public officials from knowingly participating in making or administering a contract, including the award of money in the form of a grant, loan, or other appropriation, with any nonprofit with which that public official is associated. It also states that “[t]he public official shall record his or her recusal with the clerk to the board, and once recorded, the political subdivision of this State may enter into or administer the contract.”