

LIFE CYCLE OF AN ARPA PROJECT

Council Work Session

September 21, 2021



LEXINGTON

Life Cycle of an ARPA Project



LEXINGTON

ARPA State and Local Fiscal Recovery Funds Administration and Reporting Resources

Department of the Treasury Interim Final Rule



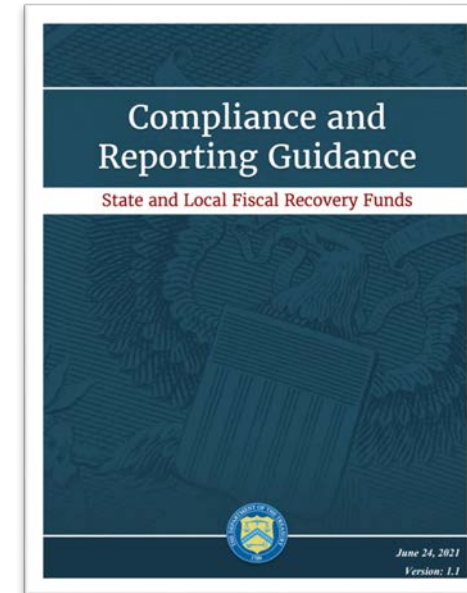
<https://www.govinfo.gov/content/pkg/FR-2021-05-17/pdf/2021-10283.pdf>

Frequently Asked Questions

Last updated – July 19, 2021

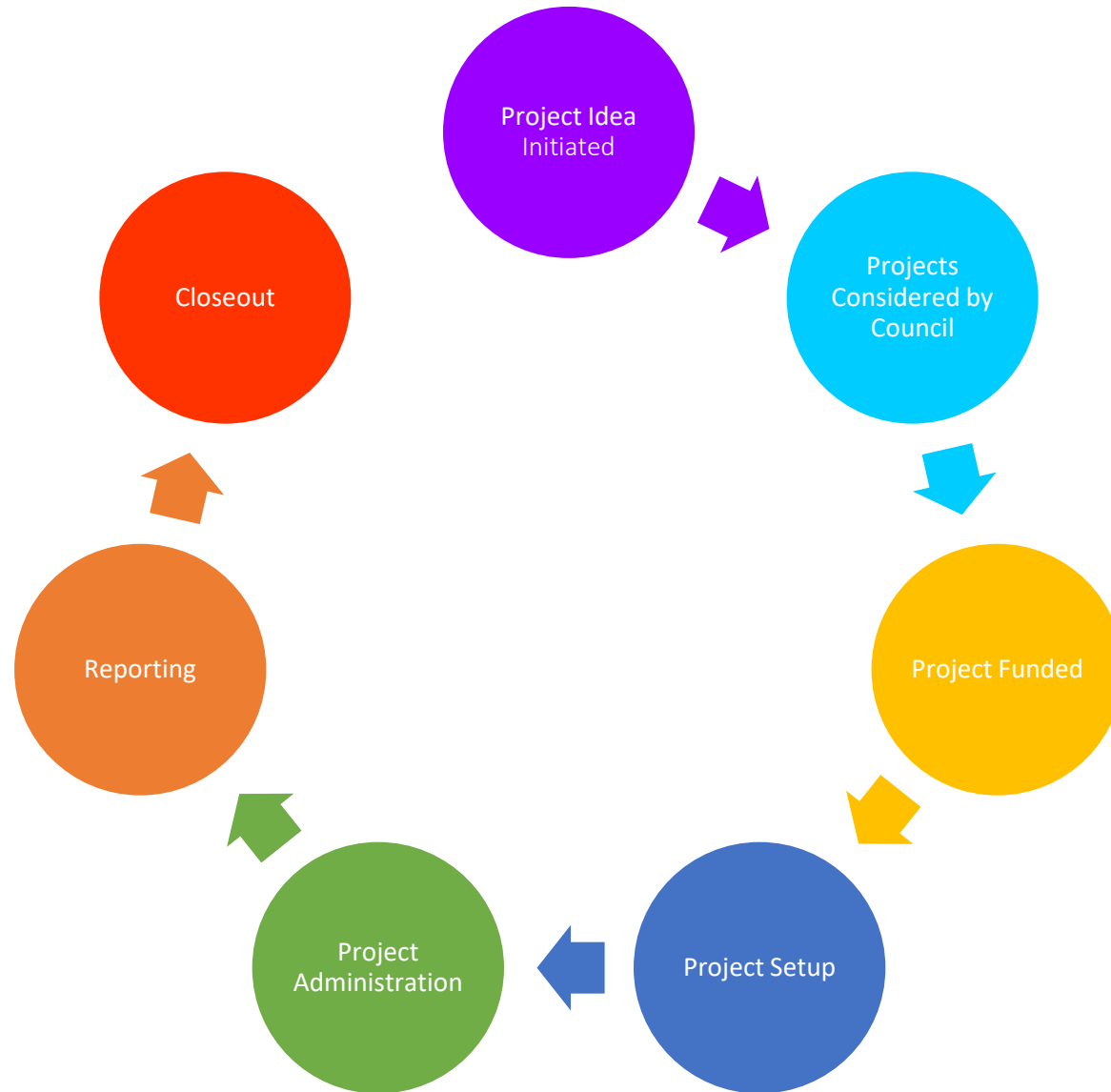
<https://www.govinfo.gov/content/pkg/FR-2021-05-17/pdf/2021-10283.pdf>

Compliance and Reporting Guidance State and Local Fiscal Recovery Funds



<https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>

Life Cycle of an ARPA Project



Life Cycle of an ARPA Project



Project
Idea
Initiated

Projects submitted through LFUCG ARPA Website

- Projects submitted by the Public
- Projects submitted by Community Groups
- Projects submitted by Council Members
- Projects submitted by Mayor and Administration

Projects Developed from Survey priorities

Projects Developed from ARPA Project Website Submittals

Life Cycle of an ARPA Project



Projects
Considered
by Council

- What is the direct impact on the most vulnerable or those hurt most by the pandemic?
- Does the project meet our budgetary priorities of one-time cost, creation of savings or increase in revenue?
- Does this project lead to economic opportunity? When? How?
- What is the impact on our physical infrastructure?
- What is the impact on our social infrastructure?
- What is the expenditure category by which this project is authorized by ARPA? Is it specifically eligible or would it be considered general government?
- Does the size of the project justify the administrative burden of the award?
- Does the timeline of the project meet the spend-out timeline for the funding?
- Are there additional parties involved? Who do we need to work with?
- Do we need additional information? Is there a presentation by external/internal parties?
- What is the status of the project? What is needed?
 - Concept only? Feasibility study complete?
 - Design complete? Right of way needed?
 - Support from community partners?

Life Cycle of an ARPA Project



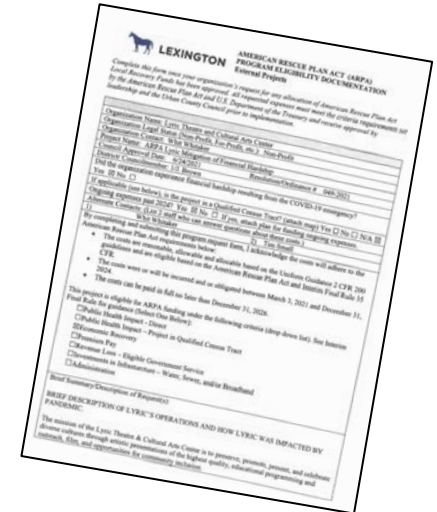
Project
Funded

- An expenditure ceiling is set for the project and skeleton outline of the budget is formed and submitted to Council.
- A budget amendment is established creating funding from ARPA (a Grant Fund) through our normal Budget Amendment Process
- If the project offsets existing personnel expenses a payroll recovery will be created or for operating expenses, an amendment to both the grant and the general fund/enterprise fund.
- Council takes Action to Approve Funding by approving the BA.
- 1st and 2nd reading occur.
- The Division of Grants and Special Programs assigns a project name
- A project timeline is established
- Project overview triggered

Life Cycle of an ARPA Project



- Internal Project Form created
 - Project set up information provided (contacts, district, project id)
 - Project summary and description narrative
 - Justification of program need and ARPA compliance provided
- Eligibility established
 - Staff determine ARPA Expenditure Category
 - If unable to fund under EC 1-5, project must be funded from limited EC 6: Revenue Replacement category
- Staff determine populations served
 - Qualified Census Tract
 - Assumed Disadvantaged per ARPA Interim Guidance
- Costs estimated
- Form approved by Grants, Finance, and CAO
- Project created in financial system



Life Cycle of an ARPA Project




Example: Lyric Theater
ARPA Mitigation of
Financial Hardship

Approved in FY2022 Budget

Internal Project Form
Pg 1/3

- Project Name and Description
- Acknowledgements
- Eligibility



LEXINGTON
AMERICAN RESCUE PLAN ACT (ARPA)
PROGRAM ELIGIBILITY DOCUMENTATION
External Projects

Complete this form once your organization's request for any allocation of American Rescue Plan Act Local Recovery Funds has been approved. All requested expenses must meet the criteria requirements set by the American Rescue Plan Act and U.S. Department of the Treasury and receive approval by leadership and the Urban County Council prior to implementation.

Organization Name: Lyric Theatre and Cultural Arts Center	
Organization Legal Status (Non-Profit, For-Profit, etc.): Non-Profit	
Organization Contact: Whit Whitaker	
Project Name: ARPA Lyric Mitigation of Financial Hardship	
Council Approval Date: 6/24/2021	Resolution/Ordinance # 049-2021
District/ Councilmember: 1/J. Brown	
Did the organization experience financial hardship resulting from the COVID-19 emergency? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
If applicable (see below), is the project in a Qualified Census Tract? (attach map) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	
Ongoing expenses past 2024? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, attach plan for funding ongoing expenses.	
Alternate Contacts: (List 2 staff who can answer questions about these costs.)	
1) Whit Whitaker	2) Tim Small
By completing and submitting this program request form, I acknowledge the costs will adhere to the American Rescue Plan Act requirements below:	
<ul style="list-style-type: none"> • The costs are reasonable, allowable and allocable based on the Uniform Guidance 2 CFR 200 guidelines and are eligible based on the American Rescue Plan Act and Interim Final Rule 35 CFR. • The costs were or will be incurred and or obligated between March 3, 2021 and December 31, 2024. • The costs can be paid in full no later than December 31, 2026. 	
This project is eligible for ARPA funding under the following criteria (drop down list). See Interim Final Rule for guidance (Select One Below):	
<input type="checkbox"/> Public Health Impact - Direct <input type="checkbox"/> Public Health Impact - Project in Qualified Census Tract <input checked="" type="checkbox"/> Economic Recovery <input type="checkbox"/> Premium Pay <input type="checkbox"/> Revenue Loss - Eligible Government Service <input type="checkbox"/> Investments in Infrastructure - Water, Sewer, and/or Broadband <input type="checkbox"/> Administration	
Brief Summary/Description of Request(s):	
<p>BRIEF DESCRIPTION OF LYRIC'S OPERATIONS AND HOW LYRIC WAS IMPACTED BY PANDEMIC.</p> <p>The mission of the Lyric Theatre & Cultural Arts Center is to preserve, promote, present, and celebrate diverse cultures through artistic presentations of the highest quality, educational programming and outreach, film, and opportunities for community inclusion.</p>	

Life Cycle of an ARPA Project



Example: Lyric Theater
ARPA Mitigation of
Financial Hardship

Approved in FY2022 Budget

Internal Project Form
Pg 2/3

- ARP Justification
- Interim Guidance Eligibility Statement
- Cost Overview
- Timeline

With a majority of our operations and revenue sources coming from tickets sales, rentals of our ballroom/theatre, concessions, etc, the inability to host events was extremely impactful on not only our financial well-being but also on our ability to achieve our mission.

Provide a justification for charging these costs to the American Rescue Plan Act Fund. **Provide as much detail as necessary to justify program need and compliance with ARPA requirements.**

Describe the impact of the pandemic on Lyric's finances here, including specific numbers of lost revenue.

As mentioned above, our main sources of income are from rentals, ticket sales, concessions, and a few others. Due to in person events being forbidden, these income categories saw complete 100% loss during a majority of the pandemic.

Overall, comparing FY20 (July 2019 – June 2020) to FY21 (July 2020 – June 2021) we saw a ~43% drop in total revenue (\$410,242.16 to \$234,299.78). With our main income categories frozen, our \$127,500.00 funding from LFUCG was an integral lifeline, comprising over 50% of our income, with other donations and grants being the main categories.

Eligibility Citation from Interim Final Rule (attach documentation): 2. Responding to Negative Economic Impacts

Description of Eligibility Determination: Page 34 of the Interim Final Rule states that loans or grants may be provided to small businesses and non-profits "to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs.."

Total Cost of all Requests:
One Time Costs: \$127,500

Ongoing Costs: None Requested

Date Range Expenditure(s) will Occur: 7/1/2021 through 6/30/2022

Has the organization received or does the organization anticipate receiving grant funds that would pay for any of these expenses? Yes No

If so, identify grant(s): N/A

Using the separately provided budget request form, provide a budget for the proposed budget/program costs.

If you answer no to any of the following questions then the personnel is not eligible to be charged to ARPA funding...

For all personnel costs requested, will the time charged to the ARPA be:

- Supported by time tracking documentation;

Life Cycle of an ARPA Project




Example: Lyric Theater
ARPA Mitigation of
Financial Hardship

Approved in FY2022 Budget


Internal Project Form
Pg 3/3

- Documentation Plan
- Signatures
- Review

<ul style="list-style-type: none">• For staff hired exclusively for ARPA-related work; OR• For staff who:<ul style="list-style-type: none">• Have been redeployed to ARPA-related work, AND• Can document their time as related to the ARPA project including their related activities: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A – No Personnel Requested <input type="checkbox"/>
Additional Information Please provide the following documentation along with this form: <input type="checkbox"/> Organization's most recent financial audit (A single audit is required if federal expenditures exceed \$750,000). <input type="checkbox"/> Articles of Incorporation and Bylaws. <input type="checkbox"/> Kentucky Secretary of State – proof of current active status. <input type="checkbox"/> IRS 501c(3) letter, if applicable. <input type="checkbox"/> Organizational Chart and list of Board of Directors. <input type="checkbox"/> Budget Narrative to support budget request. <input type="checkbox"/> Any other documentation necessary to support/justify the project.
Internal Use Only: Organization is on the federal debarred list? If yes, organization is ineligible for assistance. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Other Items of Consideration Impact on the Community:
Special Considerations:

 _____ Signature of Preparer	<u>7/19/21</u> _____ Date Submitted to LFUCG
 _____ Signature of Executive Director	 _____ Signature of Board Chairperson

Submit this program request form to Charlie Lanter, Director, Grants & Special Programs,
clanter@lexingtonky.gov

Name of Grants & SP Reviewer:  <u>7/19/21</u>
Approved <input checked="" type="checkbox"/> Denied <input type="checkbox"/> Requesting Additional Information <input type="checkbox"/>
Additional Information Requested or Reason for Denial, if applicable:

Life Cycle of an ARPA Project



Project
Administration

- Contracts prepared by Purchasing and Grants
- Contracts reviewed by Law Department, prepared for signature
- Recipient must Determine Cost Estimate or Request Quotes
 - Architect/Engineer Review
 - If costs exceed initial request/funding, additional BA must be approved
 - Construction costs volatile in current market, cost estimates will change
- Package prepared by Purchasing Division and operational Division involved in each project
- Construction or project oversight and management
 - Invoicing and payment
 - Expense review, request for reimbursement, documentation review
 - Construction inspection
 - Agreement monitoring
 - Labor guarantees
 - Monitoring of sub-recipients
- Financial compliance with 2 CFR Part 200
 - Cost principles
 - Single audit requirements

Life Cycle of an ARPA Project



Project and Expenditure Report	Recovery Plan
Quarterly	Annual
October 31, January 31, April 30, July 31	August 31
<ul style="list-style-type: none">• Types of projects funded<ul style="list-style-type: none">○ Report by ARPA Expenditure Category• Financial data• Information on contracts, grants, and sub-awards<ul style="list-style-type: none">○ Projects over \$50k require greater reporting• Status of projects• Performance report<ul style="list-style-type: none">○ Goals and Objectives for each project○ Standard reporting from ARPA Guidance and additional reporting determined by locals• Project Demographic Distribution<ul style="list-style-type: none">○ Qualified Census Tracts○ Assumed Disadvantaged per Interim Guidance• Civil Rights Compliance	<ul style="list-style-type: none">• Approach and objectives• Community Engagement• Inventory of funded projects• Financial reporting by Expenditure Category• Efforts to promote equitable outcomes• Performance indicators and programmatic data• Evidence supporting funded activities• Equity reporting• Labor practice reporting• Revenue reduction/loss calculation



ARPA State and Local Fiscal Recovery Funds Revenue and Expense Report

<i>For the period through July 31, 2021</i>				
		Actuals	Budget	Variance
Revenue				
LFUCG Allocation		\$ 60,589,029	\$ 121,178,058	\$ 60,589,029
Total Revenues		\$ 60,589,029	\$ 121,178,058	\$ 60,589,029

<i>For the period through July 31, 2021</i>					
		Actuals	Budget	Variance	
Expense					
EC 1: Public Health		\$ -	\$ 395,000	\$ (395,000)	
1.05	Personal Protective Equipment	Personal Protective Equipment for LFUCG	\$ -	\$ 225,000	\$ (225,000)
1.10	Mental Health Services	NAMI - Mental Health Court Funding	\$ -	\$ 170,000	\$ (170,000)
EC 2: Negative Economic Impacts		\$ 19,378	\$ 2,637,500	\$ (2,618,122)	
2.02	Household Assistance: Rent, Mortgage,	Emergency Financial Assistance for Residents	\$ 578	\$ 200,000	\$ (199,422)
2.02	Household Assistance: Rent, Mortgage,	Recovery Supportive Living Assistance (RSLA)	\$ 18,800	\$ 60,000	\$ (41,200)
2.07	Job Training Assistance	Workforce Development Grants to Service Partners	\$ -	\$ 200,000	\$ (200,000)
2.10	Aid to Nonprofit Organizations	Explorium of Lexington - Children's Museum Assistance	\$ -	\$ 125,000	\$ (125,000)
2.10	Aid to Nonprofit Organizations	LexArts Nonprofit Services Contract	\$ -	\$ 325,000	\$ (325,000)
2.10	Aid to Nonprofit Organizations	Lyric Theater Assistance	\$ -	\$ 127,500	\$ (127,500)
2.11	Aid to Tourism, Travel, or Hospitality	Ecton Park Improvements - Concess/Rstrm Facilities for Local Users an	\$ -	\$ 300,000	\$ (300,000)
2.11	Aid to Tourism, Travel, or Hospitality	Lakeside Irrigation Replacement	\$ -	\$ 1,300,000	\$ (1,300,000)
EC 3: Services to Disproportionately Impacted Communities		\$ 36,906	\$ 2,833,000	\$ (2,796,094)	
3.10	Housing Support: Affordable Housing	Shropshire Affordable Housing Project Site Improvements	\$ -	\$ 750,000	\$ (750,000)
3.11	Housing Support: Services for Unhoused	Homelessness Allocation	\$ 36,906	\$ 750,000	\$ (713,094)
3.12	Housing Support: Other Housing Assista	Code Enforcement Grants for Low-Income Residents	\$ -	\$ 200,000	\$ (200,000)
3.13	Social Determinants of Health: Other	Access to Quality Green Space for Disadvantaged Pop - ADA Imprvmnts	\$ -	\$ 125,000	\$ (125,000)
3.13	Social Determinants of Health: Other	Access to Quality Green Space in QCT - Douglas Park - Pool Imprvmnts	\$ -	\$ 175,000	\$ (175,000)
3.13	Social Determinants of Health: Other	Access to Quality Green Space in QCT - Mary Todd Park - Basketball C	\$ -	\$ 118,000	\$ (118,000)
3.13	Social Determinants of Health: Other	Access to Quality Green Space in QCT - Northeastern Park - Playgroun	\$ -	\$ 250,000	\$ (250,000)
3.13	Social Determinants of Health: Other	Access to Quality Green Space in QCT - Phoenix Park - Inclusive Use an	\$ -	\$ 150,000	\$ (150,000)
3.13	Social Determinants of Health: Other	Access to Quality Green Space in QCT - Pine Meadows Park - Playgrou	\$ -	\$ 150,000	\$ (150,000)
3.13	Social Determinants of Health: Other	Access to Quality Green Space in QCT - River Hill Park - Sports Courts	\$ -	\$ 165,000	\$ (165,000)



ARPA State and Local Fiscal Recovery Funds Revenue and Expense Report

			<i>For the period through July 31, 2021</i>		
			Actuals	Budget	Variance
Expense (Continued)					
EC 4: Premium Pay			\$ -	\$ -	\$ -
EC 5: Infrastructure			\$ -	\$ -	\$ -
EC 6: Revenue Replacement/Government Services			\$ -	\$ 1,920,000	\$ (1,920,000)
6.01	Provision of Government Services	Economic Development Grants to Service Partners	\$ -	\$ 300,000	\$ (300,000)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Berry Hill Park - Basketball Court	\$ -	\$ 175,000	\$ (175,000)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Buckhorn Park - Phase II Improvements	\$ -	\$ 45,000	\$ (45,000)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Dogwood Park - Basketball Court	\$ -	\$ 95,000	\$ (95,000)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Gardenside Park - Playground	\$ -	\$ 150,000	\$ (150,000)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Masterson Station Park - Playground	\$ -	\$ 150,000	\$ (150,000)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Meadowthorpe Park - Roof Repair	\$ -	\$ 80,000	\$ (80,000)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Raven Run Park - Prather House Roof Repair	\$ -	\$ 50,000	\$ (50,000)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Shilito Park - Access Imprvmnt Parking Lot Construction	\$ -	\$ 400,000	\$ (400,000)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Southland Park - Access Imprvmnt Parking Repairs	\$ -	\$ 100,000	\$ (100,000)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Woodland Park - Restroom Facilities	\$ -	\$ 375,000	\$ (375,000)
EC 7: Administrative			\$ -	\$ -	\$ -
Total Expenses			\$ 56,284	\$ 7,785,500	\$ (7,729,216)
TOTAL - ARPA SLFRF			\$ 60,532,745	\$ 113,392,558	\$ (52,859,813)

Life Cycle of an ARPA Project



Closeout

- All obligations made by December 31, 2024
- All expenditures made by December 31, 2026

PROJECT CLOSED

- Retention of all financial records and project documentation through December 31, 2031 or five years after all funds expended
- Treasury may monitor and inspect records at any time



Questions?