

Desk Reference for New Hampshire Recipients of Local Fiscal Recovery Funds: Complying with Federal Uniform Guidance

New Hampshire Governor's Office for Emergency Relief and Recovery

The purpose of this desk reference is to summarize federal Uniform Guidance requirements¹ that are applicable to New Hampshire local governments that received Coronavirus Local Fiscal Recovery Funds (LFRFs) as established by the American Rescue Plan Act (ARPA). The scope of this desk reference does not cover other ARPA funding streams such as the Capital Projects Fund that classify NEUs solely as subrecipients and not prime recipients of funds.

Last updated: January 25, 2022

¹ To access the complete guidance, copy and paste this link into your web browser:
<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>

Table of Contents

Definitions and Background.....	3
What is a Non-Entitlement Unit of Government (NEU)?.....	3
What is a Prime Recipient?	3
What is a Subrecipient?	3
What is a Contractor?	3
What is a Beneficiary?.....	3
How to Determine a Subrecipients vs. Contractors vs. Beneficiaries.....	3
What is Uniform Guidance (2 CFR 200), and how does it apply to the LFRF funds?	5
How can an NEU Prime Recipient spend the LFRF funds?.....	8
If NEUs choose to provide a subgrant to a subrecipient, NEUs must:	9
Evaluate the subrecipient:	9
Create a Subgrant Award Agreement:.....	9
Monitor the subrecipient:.....	9
Intervene, If Necessary:	9
If NEUs choose to enter into contracts , NEUs must:.....	10
Follow all federal and local procurement rules:	10
Create a Federally Compliant Contract (Appendix II to 2CFR 200).....	12
If NEUs decide to establish a beneficiary program	14
Best Practices	14

Definitions and Background

What is a Non-Entitlement Unit of Government (NEU)?

Non-entitlement units of government (NEUs) are **local governments typically serving populations of less than 50,000.**² A New Hampshire local city/town government meeting this population threshold that has received Coronavirus Local Fiscal Recovery Funds (LFRFs) is an NEU.

What is a Prime Recipient?

A **prime recipient** is an organization that receives grant funding directly from a grantor (such as the federal government). Prime recipients are responsible for ensuring that the grant funding they receive is used appropriately and following grant guidelines provided by the grantor. Even though NEUs received their funding from the state, for the purposes of Coronavirus Local Fiscal Recovery Funds (LFRFs), they are considered a prime recipient.

What is a Subrecipient?

In some cases, a prime recipient will choose to pass all or a portion of the grant funds they received on to another organization for them to carry out the “mission of the money” by administering a project or program on behalf of the prime recipient. Such a project or program must meet an eligible use of the funding. An example of this might be when one or many prime recipient(s) make a grant to a non-profit housing entity, and the non-profit housing entity uses that funding to build affordable housing for COVID-19 impacted families (such as low-income families, who are presumptively considered to be impacted by COVID-19). **Subrecipient** is the official term given to organizations that receive this kind of federal grant funding as a subgrant from a prime recipient.³

What is a Contractor?

Contractor is simply an entity that receives a contract (other than a subaward or subgrant). A contract is a legal instrument by which an NEU would purchase property or services needed to carry out the eligible uses of the LFRF.

What is a Beneficiary?

If a prime or subrecipient provides funds to an organization or an individual for its/their own use, e.g., business interruption, salaries, weatherization, food assistance etc., those entities/people would typically be considered beneficiaries.

How to Determine a Subrecipients vs. Contractors vs. Beneficiaries

The table below can help you determine if you have a subrecipient, contractor, or beneficiary relationship with an entity. For-profit and non-profit organizations may be subrecipients, contractors, or beneficiaries, depending on the context. Individuals and families are usually beneficiaries.

² Defined in section 603(g)(5) of the Social Security Act, as added by section 9901 of the American Rescue Plan Act of 2021.

³ It is possible that some NEUs will also receive Coronavirus State Fiscal Recovery Funds (SFRF) from the State of New Hampshire to administer a program or project on behalf of the State (for example, a broadband project). In that case, the NEU would be considered *both* a prime recipient of LFRF *and* a subrecipient of the SFRF. If this occurs, your subrecipient agreement with the state will outline your requirements as a subrecipient of the state’s SFRF. For single audit purposes, SFRF and LFRF are considered a single program (SLFRF), and if an NEU provides a subgrant to an entity that also receives a subgrant from the state, those two funding amounts will be combined.

Table 1: Key Attributes of Subrecipients, Contractors and Beneficiaries

Entity	Attributes
Subrecipient	<ul style="list-style-type: none"> • May determine who may be eligible to receive Federal assistance under the program guidelines. • Has its performance measured in relation to whether objectives of a Federal program were met. • Has responsibility for programmatic decision-making. • In accordance with its subaward agreement (which may be in the legal form of a contract), the subrecipient uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the recipient. • The subrecipient will not earn a profit under the arrangement. • The subrecipient is required to contribute cash or in-kind match in support of the subaward.
Contractor	<ul style="list-style-type: none"> • Provides goods and services within normal business operations. • Provides similar goods or services to many different purchasers. • Normally operates in a competitive environment. • Provides goods or services that are ancillary to the operation of the Federal program. • The entity may earn a profit under the contract.
Beneficiary	<ul style="list-style-type: none"> • Is the end recipient of LFRFs. • LFRF beneficiaries may include the following⁴: <ul style="list-style-type: none"> ○ Individuals/families ○ Small businesses ○ Public nonprofit institution/organization (if receiving assistance for eligible uses such as economic support for impacted industries) ○ Private nonprofit institution/organization (if receiving assistance for eligible uses such as economic support for impacted industries)

For further assistance in determining if you have a subrecipient, contractor, or beneficiary relationship with an entity, the checklist embedded below walks through a series of questions that can aid in making a judgement about the relationship type.



Federal Award
Classification Check

⁴ In limited cases, a government can be a beneficiary, especially when a government agency provides a service alongside a non-profit or for-profit business (e.g., childcare provided in a school).

What is Uniform Guidance (2 CFR 200), and how does it apply to the LFRF funds?

The “Uniform Guidance” is the set of federal rules (administrative requirements, cost principles, and audit guidelines) that apply to federal money. Prime recipients and subrecipients are responsible for following Uniform Guidance and agreed to be bound by it when signing their agreements prior to receiving LFRF funds. NEUs are responsible to familiarize themselves with these requirements. In addition, NEUs should review the most up-to-date versions of the Treasury’s guidance on LFRF funding. This guidance can be found on [Treasury’s website](#). Below is a summary of key areas of the Uniform Guidance and Treasury Guidance for NEUs to follow when administering the LFRF.

Table 2: Summary of Key Areas of Uniform Guidance

Category	Key Points
Allowable Activities	<p>The Governor’s Office for Emergency Relief and Recovery (GOFERR) does not have the authority to review or approve NEUs’ uses of LFRFs. Questions may be submitted to the GOFERR Office as needed via the inquiry portal.</p> <p>Allowable uses of funds can be found in detail in Appendix I of the SLFRF Compliance and Reporting Guide and are summarized below:</p> <p><i>EC 1: Public Health</i> – Consists of 12 subcategories and covers projects that are taking actions to control spread, support hospitals and health care workers, testing, contact tracing, public health data systems, vaccination programs, health care capacity enhancements, ventilation in congregate settings, etc.</p> <p><i>EC 2: Negative Economic Impacts</i> – Consists of 14 subcategories and covers any direct response to COVID or the after-effects of COVID, assistance as a result of a negative impact of COVID, relief for individuals, households, hardest-hit communities, small businesses, as well as aid to impacted industries such as tourism, travel and hospitality (other industries require additional data and justification).</p> <p><i>EC 3: Services to Disproportionately Impacted Communities</i> – Consists of 16 subcategories and covers any response geared towards education assistance, promoting healthy childhood environments, housing support, as well as promoting addressing social determinants of health.</p> <p><i>EC 4: Premium Pay</i> – Consists of 2 subcategories and covers premium pay to workers performing essential work during the COVID-19 public health emergency. Remote workers are not eligible for LFRF premium pay.</p> <p><i>EC 5: Infrastructure</i> – Consists of 17 subcategories and covers projects that are making necessary investments in water, sewer, or broadband infrastructure.</p> <p><i>EC 6: Revenue Replacement</i> – Covers 1 subcategory and is for the provision of government services to the extent of the reduction in revenue. If there is no COVID connection and it does not fit into one of the other categories, this is available.</p> <p><i>EC 7: Administrative</i> – Consists of 4 subcategories, 3 of which are relevant to NEUs. Funds may be used for administering the LFRF program, including costs of consultants to</p>

Category	Key Points
	<p>support effective management and oversight, including consultation for ensuring compliance with legal, regulatory, and other requirements.</p> <p>NEUs should regularly review Treasury’s guidance and materials provided by GOFERR on the NEU assistance website to ensure that funded activities are compliant with the latest version of the grant guidance, which may be updated over time. For more information and guidance about allowable uses of Local Fiscal Recovery Funds and reporting requirements, please see U.S. Treasury’s website.</p>
Allowable Costs/Cost Principles	<p>NEUs should ensure that grant spending adheres to the allowable costs/cost principles laid out in the LFRF guidance by Treasury. These principles include the following rules which prime recipients and subrecipients must follow:</p> <ul style="list-style-type: none"> • Matching/Pooling Funds: LFRFs may be paired with other funding sources for a given project. Several NEUs or NEUs and Counties may combine funds and work together toward an eligible project. If the state funds joint state/NEU projects, LFRF funds are also likely to be allowed as local matching funds for that state project. • Audit Costs: LFRFs funds may be used for a “reasonably proportionate” share of the costs of required for federal single audits performed in accordance with the Uniform Guidance (2 CFR Part 200, Subpart F). • Administrative Costs: A portion of SLFRF funds may go to direct and indirect administrative costs. Subrecipients should be consistent in their treatment of direct or indirect costs and should not charge the same costs to both categories or to other programs (i.e., no duplication of benefit). <ul style="list-style-type: none"> ○ Note on Negotiated Indirect Cost Rates (NICRAs): If a subrecipient has an indirect cost rate for federal funding that is approved and current, then the recipient may use its NICRA. If the recipient does not have a NICRA, then administrative costs should not exceed 10 percent of the modified total direct costs according to 2 CFR 200.414(f) (e.g., the <i>de minimis</i> indirect cost rate). • Salaries and Expenses: SLFRF funds may be used to pay for certain employees’ wages, salaries, and covered benefits. Refer to the SLFRF Final Rule for more detail. <p>The following definitions apply to LFRFs:</p> <ul style="list-style-type: none"> • Administrative costs may include consultant costs to support effective management and oversight, including consultation for ensuring compliance with legal, regulatory, and other requirements. • Direct costs include the costs of implementing the LFRF program objectives, such as contract support, materials, and supplies for a project. • Indirect costs are general overhead costs of an organization where a portion of such costs is allocable to the SLFRF award, such as the cost of facilities or administrative functions like a director’s office.
Cash Management	<p>LFRFs may be placed in interest-bearing accounts. If interest is earned from SLFRF funds, that interest does not need to be remitted to Treasury and use of the interest is not limited to the eligible uses laid out by Treasury.</p>

Category	Key Points
Equipment and Real Property Management	<p>NEUs, whether using funds as a prime recipient or subrecipient, should use equipment for the authorized purpose of the LFRF funds during the period of performance from March 3, 2021 and December 31, 2026, or until the property is no longer needed for the project. When the property is no longer needed, the equipment may be used in other activities supported by Treasury, in the following order of priority:</p> <ul style="list-style-type: none"> • Activities under ARPA-SLFRF under Treasury, which funded the original program or project, then • Activities under Federal awards from other Federal awarding agencies. This includes consolidated equipment for information technology systems. <p>The subrecipient must also make equipment available for use on other projects or programs currently or previously supported by the Federal Government if the use doesn't interfere with SLFRF projects or programs.</p>
Procurement and subrecipients	<p>NEUs can use their LFRF funds to either issue subgrants or enter into contracts. Additional detailed guidance on how to do this under Uniform Guidance requirements is detailed below in the "How can an NEU Prime Recipient spend the LFRF Funds" section.</p> <p>NEUs may also directly set up a beneficiary program.</p>
Period of Performance	<p>The following timeframes apply to use of the funds:</p> <p style="text-align: center;"><u>Timeframe to award (obligate) funds: March 3, 2021- December 31, 2024</u> <u>Timeframe to expend (liquidate) funds: December 31, 2026</u></p> <p>If an NEU has concerns about its ability to spend grant funds within these timeframes, this information must be communicated to GOFERR as early as possible. Grant spending outside of the above timeframes will be considered non-compliant and may result in enforcement actions such as requiring repayment of applicable grant funds to the prime recipient or Treasury. In cases where funds are acquired under prime recipient status through Local Fiscal Recovery Funds, non-executed funds may need to be reimbursed to Treasury. In cases where there is projected underspending by an NEU as a subrecipient, GOFERR may recapture and/or re-allocate funding to another project or eligible use.</p>
Recordkeeping Requirements	<p>Financial records and supporting documents related to the award must be retained for a period of five (5) years after all funds have been expended or returned to Treasury, whichever is later.</p>
Single Audit	<p>NEUs, as prime recipients or subrecipients, that expend more than \$750,000 in Federal awards during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements.</p>

Category	Key Points
Reporting	<p>GOFERR will be offering informational webinars and supporting documents to provide your NEU with instructions on how to report programmatic and financial data. This information is necessary in order to be compliant with Treasury reporting requirements and to maintain adequate oversight over subrecipients. Instructions will be provided on whether to report on a cash or accrual basis, which must be reported consistently by SLFRF prime recipients.</p> <p>NEUs regardless of prime recipient or subrecipient status should maintain accounting records for compiling and reporting accurate, compliant financial data, using appropriate accounting standards and principles. Use of a financial management system (for example QuickBooks, Visual Bookkeeper, Socrates Media, Peachtree or a Custom Proprietary System) is strongly recommended.</p> <p><i>Note: For NEUs that are utilizing other funding sources for a program that is also funded with LFRF funds, it is recommended to utilize an accounting system that identifies the receipts and expenditures of program funds separately for each award. This will allow for financial reporting data to be more easily itemized.</i></p>

How can an NEU Prime Recipient spend the LFRF funds?

As prime recipients of LFRF, NEUs are responsible for determining how they want to spend the funds, within the allowed uses published by Treasury in the Interim Final Rule and other LFRF guidance. Treasury will not pre-approve specific projects, and the state is specifically prohibited from approving/disapproving NEU uses of LFRF funds. NEUs need to determine how they want to use the funds. After deciding on one or many eligible projects, it's then best practice for the NEU to write a memo describing the project and explaining why the NEU believes that it meets Treasury's guidance on eligible uses of the LFRF. Guidance detailing eligible uses can be found in the Final Rule, found [here](#).

After NEUs decide on a project, they must determine the best way to carry it out. This can be done through covering eligible NEU expenditures (such as NEU eligible employee payroll for eligible public health or public safety staff), or can be done by issuing a subgrant, entering into contract, or issuing payments directly to beneficiaries. The responsibilities of NEUs for each of these three ways are described in the section below.

For any of the three ways of carrying out the project, the NEU retains responsibility for oversight of all programmatic, financial, and administrative matters, including reporting, related to the federal grant (in this case, the LFRF). For each of the years of the LFRF, until you have fully expended your funds and reported that to the Treasury, you will need to report on how you have used the funds, the progress of the project, and certain performance metrics associated with the project. You will also be subject to record retention requirements and may be subject to an audit of how you used your funds and whether you followed applicable federal, state and local laws.

If NEUs choose to provide a **subgrant** to a subrecipient, NEUs must:

Evaluate the subrecipient:

Prime recipients are responsible for “vetting” the subrecipient. They should do their due diligence to be confident that the subrecipient is capable of carrying out the project as required⁵.

Create a Subgrant Award Agreement:

- *Amount and purpose of the grant.* Subgrant agreements should specifically note how much is committed and to what purpose. Include the program’s name as you will provide it to Treasury.
- *Notice of source of funds.* Prime recipients must let subrecipients know that they are receiving federal grant funding and must communicate all applicable grant rules and regulations to subrecipients.
- *Subgrant period and payment schedule.* For larger or more complex grants, the NEU may decide to pay the grant in installments, or on a reimbursement basis. If this is the case, the grant agreement explains when and under what conditions future payments will be made.
- *Allowance for changes.* Things can change, and your grant agreements should include language to account for that. You may need to add certain data to reporting requirements, or change some of the parameters of the grant based on new Treasury guidance.
- *Requirements for internal controls.* Subrecipients must create internal controls to mitigate risks and prevent fraud/waste/abuse. These include, for example, written policies and procedures, ongoing validation of compliance with policies.
- *Performance goals.* NEUs should set and monitor performance goals, indicators, targets, and baseline data to determine if subrecipients are meeting performance expectations.
- *Access to records, sites, and financial statements.* The prime recipient must have access to the subrecipient’s records and financial statements, as necessary, to ensure compliance with the grant guidance.

Note that a prime recipient must not require a subrecipient to establish an accrual accounting system and must allow the subrecipient to develop accrual data for its reports on the basis of an analysis of the documentation on hand.

Monitor the subrecipient:

Prime recipients must monitor subrecipients, to ensure that they are following the requirements of the subgrant agreement. This may include reviewing financial records, ensuring that written policies are followed, and performing site visits.

Intervene, If Necessary:

If a subrecipient does not comply with the rules, or if a prime recipient suspects fraud, waste or abuse is happening with grant funding, then the prime recipient must intervene, adjust their records to remove any unallowable costs, and consider certain enforcement actions.

⁵ For additional guidance, please refer to the Subrecipient Risk Assessment embedded in the Appendix.

If NEUs choose to enter into **contracts**, NEUs must:

Follow all federal and local procurement rules:

NEUs should have documented procurement procedures in place and should follow those procurement procedures when spending LFRF funds. The procedures should conform to federal, state, local and tribal laws, and regulations. If your local procurement rules are stricter than the federal rules outlined below, you must follow those stricter local rules. For all contract procurements, NEUs must follow established conflict of interest standards to forestall personal financial or other interests that might exert undue influence on an employee, officer, or agent participating in the award or administration of a contract.

Micro-purchases (purchases under \$10,000)

- If the purchase is below the micro-purchase threshold (\$10,000), NEUs do not need to procure it through competitive bidding and may simply make the purchase.

Small Purchase Method (purchases under \$250,000)

- Under the simplified acquisition threshold (\$250,000)
- Gather price or rate quotes from an adequate number of sources (minimum of 2)
- Distribute the solicitation among a range of qualified vendors

Competitive Procurements (all purchases over \$250,000)

Formal procurement methods require following documented procedures. The following formal methods of procurement are used for procurement of property or services, usually through a process known as a “Request for Proposals” or RFP.

(1) Sealed bids. A procurement method in which bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bids method is the preferred method for procuring construction.

- I. In order for sealed bidding to be feasible, the following conditions should be present:
 - a. A complete, adequate, and realistic specification or purchase description is available;
 - b. Two or more responsible bidders are willing and able to compete effectively for the business; and
 - c. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
- II. If sealed bids are used, the following requirements apply:
 - a. Bids must be solicited from an adequate number of qualified sources, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;

- b. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- c. All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
- d. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- e. Any or all bids may be rejected if there is a sound documented reason.

(2) Proposals. A procurement method in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. They are awarded in accordance with the following requirements:

- I. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Proposals must be solicited from an adequate number of qualified offerors. Any response to publicized requests for proposals must be considered to the maximum extent practical;
- II. The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and making selections;
- III. Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the non-Federal entity, with price and other factors considered; and
- IV. The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby offeror's qualifications are evaluated and the most qualified offeror is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services, even if those services are offered through A/E firms but constitute a different scope of work.

Non-Competitive Procurements

When procuring property or services, the NEU or subrecipient must provide full and open competition. Non-competitive procurements are only allowed in circumstances where at least one of the conditions below is true:

- The item is below the micro-purchase threshold (\$10,000);
- The item is only available from a single source;
- The public exigency or emergency will not permit a delay from publicizing a competitive solicitation;
- The Federal awarding agency (US Treasury) expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity; or

- If after soliciting a number of sources, competition is determined inadequate.

For more information on this section, see [2 CFR 200.318-320](#)

Create a Federally Compliant Contract (Appendix II to 2CFR 200)

Appendix II of 2 CFR 200 outlines the contract provisions for non-Federal entity contracts under Federal awards to be utilized where relevant. Contractors are expected to perform duties according to the terms and conditions of their contract or purchase order. Conduct standards should be established such that there are no conflicts of interest in administering contract agreements. Prime recipients will provide oversight of this process. Creating a contract that complies with federal contract provisions will require including the below sections where applicable ([Appendix II to 2 C.F.R. 200](#)):

1. Contracts must include administrative, contractual, or legal remedies to contract violation or breaches.
2. Any contract that is more than \$10,000 must address the NEUs right to termination for cause and/or convenience. This language should include how it would go into effect as well as method for settlement should it go into effect.
3. Construction contracts must include the language of the Equal Opportunity clause outlined in section [41 CFR § 60-1.4](#) of Uniform Guidance.
4. When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act. Note that infrastructure projects that are funded **solely** with SFLRF are not subject to including this provision. However, this clause may be of necessary note to contracts that are funded with other sources depending on the requirements of the alternative funding source. If awarding an infrastructure contract over \$10M, please review the detailed labor requirements that apply to such contracts in the [Compliance and Reporting Guidance](#).
5. All contracts that are more than \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with the Contract Work Hours and Safety Standards Act. Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week.
 - a. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
6. In the case where the federal award constitutes a “funding agreement” where experimental, developmental, or research work is occurring and the contractor chooses to enter into an agreement with a non-profit or small business to conduct the contract, the contractor must comply with Rights to Inventions Made Under a Contract or Agreement ([37 CFR Part 401](#)).
7. Contracts and subgrants over \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued

- pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
8. A contract cannot be awarded to parties that are listed on the governmentwide exclusions list in the System for Award Management (SAM). SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
 9. Funds may not be used to influence the award of a contract funded with federal appropriations. Contractors that apply or bid for an award exceeding \$100,000 must file the certification required by the Byrd Anti-Lobbying Amendment.
 10. Procurement of recovered materials –NEUs and their contractors must comply with section 6002 of the [Solid Waste Disposal Act](#), as amended by the Resource Conservation and Recovery Act. Section 6002 requirements relate to procurement of items over \$10,000, and direct that NEUs and their contractors only procure items designated in guidelines of the Environmental Protection Agency (EPA) at [40 CFR part 247](#) that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.
 11. Prohibition on purchasing telecommunications or surveillance equipment, services, or systems produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities), Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities), or by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.
 12. The NEU should, appropriate and to the extent consistent with law, include a provision for a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States. Contractors must be aware of the source of materials used which include (but are not limited to) iron, steel, cement and other manufactured products.

Note: Once goods or services are procured, prime recipients and subrecipients should ensure that there is adequate oversight over contractors to ensure that contracts are executed according to the contract terms, conditions, and specifications.

NOTE

All subrecipients and contractors over \$50,000 are also required to [register in SAM.gov](#).

If NEUs decide to establish a **beneficiary** program

If an NEU decides to implement a beneficiary program that it will administer itself, such as providing an economic support stipend to low-income residents, the NEU should thoroughly document the process it follows to establish the program, gather and review applications/eligibility data, and the process for paying the funds. Internal controls, such as those required of subrecipients administering programs, are required of the NEU administering the program.

Best Practices

Review Federal Grant Guidance from Treasury

This desk reference is meant to provide NEUs, whether prime recipient or subrecipient status, with an overview of the compliance requirements associated with LFRF funds. However, it should not serve as a substitute for reviewing the applicable federal grant guidance located [here](#).

Establish Internal Controls

NEUs should also consider what internal controls exist or can be developed to ensure consistency and compliance with the LFRF rules and requirements. The work to review the guidance and develop internal contracts should take place before grant spending begins, to ensure that the right systems and processes are in place from day one.

When in Doubt, Reach Out

The Governor's Office for Emergency Relief and Recovery serves as a resource and can be contacted in case of questions throughout the lifecycle of the ARPA-LFRF funds.

To connect with the GOFERR office regarding questions and concerns, please reach out via the inquiry request [located here](#).

Appendix

Subrecipient Evaluation Tool

When working with a subrecipient, it is the responsibility of the prime recipient to ensure that the subrecipient can carry out the project as required. One way to assess risk is by completing a risk assessment tool, like the one embedded below. This tool was developed using subrecipient requirements set forth by 2 CFR 200 and outlined earlier in this Desk Reference. Based on the outcome of the risk assessment tool, the prime recipient can design a monitoring plan that is tailored to the identified risks, with the minimum being required reporting as specified by grant guidance.

Note that this tool is intended to support the prime recipient in evaluating potential risks for a subrecipient, but utilization of this tool is not required.



Subrecipient Risk
Assessment Tool_Nc