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## INTEROFFICE MEMORANDUM

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**TO:** MICHAEL WATSON  
**FROM:** JUSTIN MARTIN  
**SUBJECT:** REDISTRIBUTED ARPA GRANT FUDNING  
**DATE:** 3/22/2022

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund, which together make up the Coronavirus State and Local Fiscal Recovery Funds. This is the funding the County received as part of the fiscal recovery APRA program.

On January 6, 2022, the U.S. Department of the Treasury adopted the final rule implementing the final requirements for the program. On February 28, 2022, the U.S. Department of the Treasury released the Compliance and Reporting Guide (the Guide) for the ARPA Funds.

Included in the Final Rule and the Guide is a new allowance for Revenue replacement. Recipients have the option to make a one-time election to take a standard deduction which would cover the entire amount the County of Carroll, Virginia will receive under the ARPA grant. This will ease the burden of audit, grant administration, and procurement requirements that are specific to Federal grants.

It is recommended by both our auditors and I, for the County to make this one-time election to take the standard deduction. We will plan to use local public safety costs as documentation for the expenditures. We will then use the redistributed funds for the projects previously identified by the County. This will provide greater flexibility in procurement and allow for cooperative purchasing which would otherwise be disallowed by the Federal grant. Cooperative procurement has proven beneficial to reduce both the administrative burden and costs.

As part of the election, we are seeking approval of the Redistributed APRA grant funding for the projects previously identified and included in the Redistributed APRA grant plan.