



RISK & ACCOUNTING ADVISORY SERVICES

# Assisting State and Local Governments with ARPA Compliance

The federal government through the American Recovery Plan Act (ARPA) has released a total of \$1.9 trillion in stimulus funds, of which \$350 billion is directed to state and local governments through the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) to respond to the public health emergency with respect to COVID-19, provide premium pay to eligible workers performing essential work, make up lost revenue to maintain provision of government services and make necessary investments in water, sewer or broadband infrastructure.

Along with the stimulus dollars come complex compliance requirements for overseeing the proper use of these funds.

## Is Your Organization Ready?

Unlike other recovery funds, CSLFRF requires full compliance with the Uniform Grant Guidance (UGG) and cost principles. Cherry Bekaert has extensive experience helping state and local governments comply with federal agency adoptions of UGG and the terms and conditions of federal agreements for assistance. We provide compliance expertise and resource solutions to help organizations effectively administer ARPA awards and manage compliance risk. Focus areas where our Risk Advisory professionals can assist include:

- ▶ UGG compliance & expertise
- ▶ Grant administration resource solutions
- ▶ Procurement processes and controls
- ▶ Finance and accounting processes maturity
- ▶ Revenue loss calculation assessment
- ▶ Cost allowability and indirect rates
- ▶ Subrecipient monitoring
- ▶ Single audit and external audit readiness



## Assistance with ARPA State and Local Fiscal Recovery Funds Compliance

Cherry Bekaert’s ARPA Compliance Diagnostic is an end-to-end solution for recovery funds compliance. We can tailor our solution to meet the needs of your organization. Activities may include:

- ▶ Evaluate existing accounting, budgeting and other policies relevant to administering the program.
- ▶ Assess the adequacy of the organization’s grant administration capabilities.
- ▶ Review for inappropriate funds usage.
- ▶ Assess fund accounting practices in the state or local government’s central accounting and grant management systems.
- ▶ Determine if disbursements are conducted in sufficient detail to provide transparency into use of funds.
- ▶ Evaluate state or local government lost revenue calculations for completeness and defensibility.
- ▶ Assess reasonableness of method of allocating indirect costs (approved indirect rate, cost allocation plan, de minimis rate).
- ▶ Confirm that expenditures are in accordance with the cost principles outlined in the Code of Federal Regulations, 2 CFR, Part 200.
- ▶ Assess sufficiency of grant monitoring practices to validate achievement of program objectives.
- ▶ Provide perspective on the adequacy of grant administration controls and program implementation controls including those supporting procurement, expenditures, disbursements, monitoring and reporting.
- ▶ Provide comfort via Single Audit and external audit readiness.
- ▶ Implement timely, accurate grant reporting processes per grant guidelines.

## Grant Administration Resource Solutions

We recognize that government entities may not have the capacity or requisite skills to meet grant administration and compliance requirements. We can enhance your grant administration capabilities by providing resources to help strengthen your performance in: process and internal control design; grant administration and project management; Sub-award administration; co-sourced sub-recipient monitoring; and grant reporting.

### How We Can Help

We can help you develop the internal control framework and reporting requirements necessary to properly administer stimulus and recovery funding. As a CPA & Advisory firm, quality is embedded in everything we do. You can rest easy that your organization’s recovery fund compliance is being addressed by experienced professionals.



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### About Cherry Bekaert

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