What is the "$10 million standard allowance" for revenue loss?

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On January 6, 2022, Treasury issued its long-awaited Final Rule (overview found HERE) which guides the use of ARPA funds. It contains many changes, among them the treatment of revenue loss.

"The Final Rule offers a standard allowance for revenue loss of $10 million, allowing recipients to **select** between a standard amount of revenue loss or complete a full revenue loss calculation. Recipients that select the standard allowance may use that amount – **in many cases their full award** – for government services, with streamlined reporting requirements." (Overview page 4)

Recipients were able to elect the standard allowance in their Project and Expenditure Reports due April 30, 2022. Treasury will now allow recipients to update their revenue loss election, as appropriate, in future reporting cycles **through the April 2023 reporting period**. Upon update, any prior revenue loss election will be superseded.

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