What is the Definition of "Obligate"?

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Just transferring your ARPA funds into your general fund does not meet the definition for obligated.

"Allocating," "appropriating," "designating," "setting aside," "reserving," etc. your ARPA funds does not meet the definition for obligated.

In November 2023, the U.S. Treasury issued the Obligation Interim Final Rule (IFR) to address recipients' questions and comments regarding the definition of obligation. The Obligation IFR revises the definition of "obligation" in Treasury's implementing regulations for the SLFRF (ARPA) program and provides related guidance to give additional flexibility and clarity to recipients to support their use of SLFRF funds. Treasury created a two-page "Quick Reference Guide" that informally summarizes the 17-page Obligation IFR.

From Treasury SLFRF FAQs 13.17:

"As stated in the final rule, obligation means "an order placed for property and services and entering into contracts, subawards, and similar transactions that require payment." *See 31 CFR 35.3.*

(Also see Treasury's State and Local Fiscal Recovery Funds: Obligation Interim Final Rule (IFR) presentation for more details, examples and explanation.)

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