Can you provide me with a script I can use for explaining the Standard Allowance?

Copyright Vermont League of Cities and Towns
Current as of: 11/8/2026

Eligible uses for APRA funding fall into four broad categories: Public Health/Negative Economic Impacts; Premium Pay; Investments in Water, Sewer & Broadband; and **Revenue Loss**

Revenue Loss provides recipients with broad discretion to use funds for the provision of government services. This category provides for the most flexibility in use and also has the least burdensome reporting requirements. Even if you are doing a project that would fall under one of the other three categories, you may report it under revenue loss to take advantage of the streamlined reporting (in fact, Treasury has encouraged this!).

How much of our award can we use for **Revenue Loss?** An entity may use its ARPA award for the provision of government services under the **Revenue Loss** category to the extent to the entity has **lost revenue due to COVID**.

So how do we go about determining what the dollar amount of **lost revenue due to COVID** is? Originally, there was a formula. It was complicated and Treasury received a lot of feedback that it was just too much, and it was changed with the Final Rule. Under the final rule an entity may either (1) still use the formula **OR** (2) take the **Standard Allowance** to determine the amount of **lost revenue due to COVID**.

Treasury's final rule says that Treasury is **presuming** all entities experienced **lost revenue due to COVID** of up to $10 million. As such, any entity may elect the **standard allowance** and use up to $10 million of their ARPA funds for the provision of government services under the **Revenue Loss** category without doing the complicated calculation.

All recipients have only **ONE CHANCE** to elect the **standard allowance** and that's as part of the reporting that is due April 30th. Taking the **Standard Allowance** doesn't change the amount of your award nor does it constitute an obligation of funds or a project. It just says "We intend to use some or all of our award under Revenue Loss

Copyright Vermont League of Cities and Towns
Current as of: 11/8/2026

up to the Standard Allowance". The Project and Expenditure Report asks you to choose whether or not you want to take the standard allowance and how much of your award you are going to use toward lost revenue. The recommendation is to say " **YES**" we want to take the standard allowance and enter your **entire award amount**. This eases the overall administrative burden, simplifies the reporting requirements, and allows for the most flexibility in using the funds.

Copyright Vermont League of Cities and Towns
Current as of: 11/8/2026