

OMB Approved No. 1505-0271  
 Expiration Date: November 30, 2021

U.S. DEPARTMENT OF THE TREASURY CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS (**CSLFRF**)

|   |  |
|---|--|
| Recipient name and address:<br>[Recipient to provide]<br><br>(“Recipient” = the municipal entity receiving this federal award.) | DUNS Number: [Recipient to provide]<br><br>Taxpayer Identification Number: [Recipient to provide]<br><br><a href="#">Assistance Listing Number: 21.027</a><br>[Assistance Listing Number (ALN) – formerly known as the CFDA Number (Catalog of Federal Domestic Assistance) - are detailed public descriptions of federal programs that provide grants, loans, scholarships, insurance, and other types of assistance awards. Each ALN contains five digits and appears in the following format: ##.### (e.g., 10.001 or 98.102).] |
|---|--|

[Sections 602\(b\) and 603\(b\) of the Social Security Act \(the Act\) as added by section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2 \(March 11, 2021\)](#) authorize the Department of the Treasury (Treasury) to make payments to certain recipients from the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund.

Recipient hereby agrees, as a condition to receiving such payment from Treasury, to the terms attached hereto.

Recipient:

\_\_\_\_\_

Authorized Representative:

[Authorized Representative (Recipient) – Treasury’s definition is “an individual with legal authority to bind the government entity (e.g., the Chief Executive Officer of the government entity). An Authorized Representative must sign the Acceptance of Award terms for it to be valid.”]

Title:

Date signed:

U.S. Department of the Treasury:

\_\_\_\_\_

Authorized Representative:

Title:

Date:

PAPERWORK REDUCTION ACT NOTICE

The information collected will be used for the U.S. Government to process requests for support. The estimated burden associated with this collection of information is 15 minutes per response. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Privacy, Transparency and Records, Department of the Treasury, 1500 Pennsylvania Ave., N.W., Washington, D.C. 20220. DO NOT send the form to this address. An agency may

not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

Paperwork Reduction Act Notice – It is a notice to the Recipient; no action needed. The Paperwork Reduction Act (PRA) was enacted to minimize the paperwork burden for individuals; small businesses; educational and nonprofit institutions; Federal contractors; State, local and tribal governments; and other persons resulting from the collection of information by or for the federal government.

**U.S. DEPARTMENT OF THE TREASURY CORONAVIRUS LOCAL  
FISCAL RECOVERY FUND (CLFRF, aka ARPA)  
AWARD TERMS AND CONDITIONS**

1. Use of Funds.

- a. Recipient **understands and agrees that the funds disbursed under this award may only be used** in compliance with section 603(c) of the Social Security Act (the Act), Treasury’s regulations implementing that section, and guidance issued by Treasury regarding the foregoing.

CLFRF money can only be spent on the eligible uses defined in the Act and Treasury’s regulations. It cannot be spent on any other purpose. If CLFRF money is spent on a purpose that does not meet the guidelines of the eligible uses, then this money can be “clawed back” by Treasury. This means the municipality will have to pay back the amount of misused funds to Treasury (this is covered in more detail in Condition 10 and Condition 14 that follow).

Treasury’s Interim Final Rule and Final Rule define the eligible uses as:

- To respond to the COVID-19 public health emergency or its negative economic impacts\*;
- To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to such eligible workers of the recipient, or by providing grants to eligible employers that have eligible workers who performed essential work;
- For the provision of government services, to the extent of the reduction in revenue of such recipient due to the COVID–19 public health emergency, relative to revenues collected in the most recent full fiscal year of the recipient prior to the emergency;
- To make necessary investments in water, sewer, or broadband infrastructure.

\*This also includes mitigating the impacts of future outbreaks.

- b. Recipient will determine **prior to engaging in any project** using this assistance that it has the **institutional, managerial, and financial capability** to ensure **proper planning, management, and completion of such project.**

The important language is “**prior to engaging**” – before you undertake your project make sure you have the “capability” to manage the project financially, administratively and on the ground. “**Capability**” can either be the municipality’s internal resources, or the services of a consultant under contract with the municipality. If you hire a consultant to help you, build this cost into your project budget to ensure it is covered.

**VLCT TIP:** Separate but related is the important consideration of the ongoing maintenance and costs for any projects undertaken using your ARPA funds. Will the project be self-sustaining or require ongoing subsidy to ensure its future success? If the answer to the latter is “yes” then there should be an approved plan in place for addressing and managing these expenses.

2. Period of Performance. The period of performance for this award begins on the date hereof and ends on December 31, 2026. As set forth in Treasury’s implementing regulations, Recipient may use award funds to **cover eligible costs incurred during** the period that begins on **March 3, 2021, and ends on December 31, 2024.**

As a recipient of a CLFRF award, you may use CLFRF funds to cover eligible costs that your

municipality/organization incurred during the period that begins on March 3, 2021 and ends on December 31, 2024, as long as the award funds are **obligated** by December 31, 2024 are **expended** by December 31, 2026. This means the municipality has more than three years to decide how to use this money and that by December 31, 2024, you will have to have it **obligated** to specific projects/purposes.

Any funds not obligated or expended for eligible uses by the timelines above must be returned to Treasury, including any unobligated or unexpended funds that have been provided to subrecipients and contractors.

“Obligation means an order placed for property and services and entering into contracts, subawards, and similar transactions that require payment.”

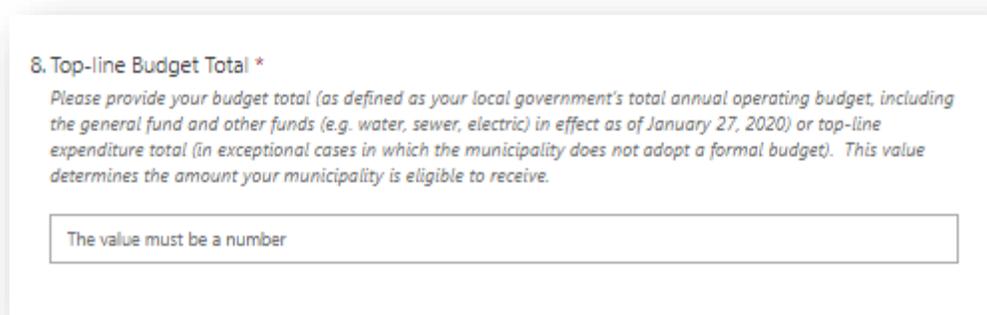
3. **Reporting.** Recipient **agrees to comply with any reporting obligations** established by Treasury as they relate to this award.

Treasury issued its “[Compliance and Reporting Guidance](#).” We highly recommend that the appropriate person(s) in your municipality **READ IT**. It is written in relatively understandable language and it contains a lot of really helpful information to know as your municipality receives its funding and definitely before it starts to create a plan for spending it.

The “[Compliance and Reporting Guidance](#)” includes the reporting schedule for non-entitlement units of government. **For NEUs and South Burlington, the initial “Project and Expenditure Report” will cover from the [date of award](#) to March 31, 2022 and must be submitted to Treasury by April 30, 2022.**

You will be asked for the following items, among others, in your first “Project and Expenditure Report” to Treasury that will be due by April 30, 2022:

- ✓ Copy of signed [Award Terms and Conditions](#) agreement
- ✓ Copy of signed [Assurances of Compliance with Title VI of the Civil Rights Act of 1964](#)
- ✓ Copy of actual budget documents validating the top-line budget total provided to the state as part of the request for funding. It is the document that supports the budget number you submitted through the State’s online certification portal for Question 8:



8. Top-line Budget Total \*

*Please provide your budget total (as defined as your local government's total annual operating budget, including the general fund and other funds (e.g. water, sewer, electric) in effect as of January 27, 2020) or top-line expenditure total (in exceptional cases in which the municipality does not adopt a formal budget). This value determines the amount your municipality is eligible to receive.*

The value must be a number

4. **Maintenance of and Access to Records**
  - a. Recipient shall maintain records and financial documents sufficient to evidence compliance with section 603(c) of the Act, Treasury’s regulations implementing that section, and guidance issued by Treasury regarding the foregoing.  
**Document, document and document some more!** We cannot stress enough how important good recordkeeping will be.

If your municipality has ever experienced a “monitoring” visit for a CDBG grant or undergone a Single Audit, then you know the level of recordkeeping that is required. Reporting to Treasury will be electronic through a portal, so your municipality will want to ensure that its documents are scanned/saved as PDFs.

- b. The Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, shall have the right of access to records (electronic and otherwise) of Recipient in order to conduct audits or other investigations.

At some point during the “compliance period” of your municipality’s CLFRF grant award, the U.S. Treasury *could* perform a monitoring visit to review (audit) all the records/documents related to your award. Records/documents includes everything from ensuring you have signed copies of your [Terms and Conditions](#) and [Assurances of Compliance with Civil Rights Requirements](#), to ensuring the Terms and Conditions are actually being met, procurement for services is being performed according to policy, financial records are in order to document that funds were spend only on Eligible Uses, internal controls are in place and practiced for handling funds, etc.

- c. **Records shall be maintained by Recipient for a period of five (5) years after all funds have been expended or returned to Treasury, whichever is later.**

Self-explanatory. If you keep your ARPA files electronically, ensure they are backed up so you don’t inadvertently lose the information if your computer crashes, gets a virus, server dies, etc.

5. Pre-award Costs. Pre-award costs, as defined in 2 C.F.R. § 200.458, may not be paid with funding from this award.

#### **§200.458 Pre-award costs.**

Pre-award costs are those incurred prior to the effective date of the Federal award or subaward directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award and only with the written approval of the Federal awarding agency. If charged to the award, these costs must be charged to the initial budget period of the award, unless otherwise specified by the Federal awarding agency or pass-through entity.

What this means: Costs incurred prior to March 3, 2021 will not be covered by your ARPA funding, however there a few exceptions (see [Treasury FAQ](#), Question 4.7).

6. Administrative Costs. Recipient may use funds provided under this award to cover both direct and indirect costs.

Recipients are permitted to charge both direct and indirect costs to their CLFRF award as administrative costs.

**Direct costs** are those that are identified specifically as costs of implementing the CLFRF program objectives, such as contract support, materials, and supplies for a project.

**Indirect costs** are general overhead costs of an organization where a portion of such costs are allocable to the CLFRF award such as the cost of facilities or administrative functions like a director’s office.

If a recipient has a current Negotiated Indirect Costs Rate Agreement (NICRA) established with a Federal cognizant agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals, then the recipient may use its current NICRA. Alternatively, if the recipient does not have a

NICRA, the recipient may elect to use the de minimis rate of 10 percent of the modified total direct costs pursuant to 2 CFR 200.414(f). (Note: Most recipients will not have a NICRA)

Each category of cost should be treated consistently in like circumstances as direct or indirect, and recipients may not charge the same administrative costs to both direct and indirect cost categories, or to other programs.

7. **Cost Sharing.** Cost sharing or matching funds are not required to be provided by Recipient.

Unlike most grants, the CLFRF funding has **no required match**.

8. **Conflicts of Interest.** Recipient understands and agrees it must maintain a conflict of interest policy consistent with 2 C.F.R. § 200.318(c) and that such conflict of interest policy is applicable to each activity funded under this award. Recipient and subrecipients must disclose in writing to Treasury or the pass-through entity, as appropriate, any potential conflict of interest affecting the awarded funds in accordance with 2 C.F.R. § 200.112.

2 C.F.R. § 200.112 Conflict of interest.

The Federal awarding agency must establish conflict of interest policies for Federal awards. The non-Federal entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.

2 C.F.R. § 200.318 General Procurement Standards.

Section (c):

(1) The non-Federal entity **must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent ["perceived"] conflict of interest.** Such a conflict of interest would arise when the employee, officer, or agent, **any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein**, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity **may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.** However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct **must provide for disciplinary actions** to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

(2) If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a State, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization. (Section 2 is not relevant to Vermont's municipalities)

As of July 1, 2019, every municipality in Vermont is required to have adopted a conflict of interest prohibition. Such prohibition must contain at least the following elements, which are found in 24 V.S.A. § 1984:

- a definition of "conflict of interest";
- a list of the elected and appointed officials covered by such prohibition;
- a method to determine whether a conflict of interest exists;
- actions that must be taken if a conflict of interest is determined to exist; and
- a method of enforcement against individuals violating such prohibition.

For more information on "Ethics and Conflict of Interest," please visit: <https://www.vlct.org/municipal->

[assistance/municipal-topics/ethics-and-conflict-interest](#)

Check your adopted procurement/purchasing policy to ensure it contains a section that addresses conflicts of interest for employees (versus elected and appointed officials) and contains the necessary elements of 2 C.F.R. § 200.112.

g. Compliance with Applicable Law and Regulations.

- a. Recipient agrees to comply with the requirements of section 603 of the Act, regulations adopted by Treasury pursuant to section 603(f) of the Act, and guidance issued by Treasury regarding the foregoing. Recipient also agrees to comply with all other applicable federal statutes, regulations, and executive orders, and Recipient shall provide for such compliance by other parties in any agreements it enters into with other parties relating to this award.

This applies to not only the recipient/municipality, but also every entity with whom the municipality enters into agreement or contract (“subrecipient”) that will be paid with CLFRF funding.

- b. Federal regulations applicable to this award include, without limitation, the following:

- i. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, **2 C.F.R. Part 200**, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by Treasury. **Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award.**

*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200 is also known as “Uniform Guidance.” It applies to this award. Those who will be tracking, administering, and reporting for your ARPA award should familiarize themselves with the requirements of Uniform Guidance – [2 C.F.R. Part 200](#). Among the list of items contained in Uniform Guidance are detailed requirements for: **financial management, internal controls, procurement standards, etc.***

**2 C.F.R. Part 200, Subpart F**  
**§200.501 Audit requirements.**

- (a) *Audit required.* A non-Federal entity that **expends** \$750,000 or more during the non-Federal **entity's fiscal year** in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.
- (b) *Single audit.* A non-Federal entity that **expends** \$750,000 or more during the non-Federal **entity's fiscal year** in Federal awards must have a single audit conducted in accordance with §200.514 except when it elects to have a program-specific audit conducted in accordance with paragraph (c) of this section.
- (c) *Program-specific audit election.* When an auditee expends Federal awards under only one Federal program (excluding R&D) and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted in accordance with §200.507. A program-specific audit may not be elected for R&D unless all of the Federal awards expended were received from the same Federal

agency, or the same Federal agency and the same pass-through entity, and that Federal agency, or pass-through entity in the case of a subrecipient, approves in advance a program-specific audit.

- (d) *Exemption when Federal awards expended are less than \$750,000.* A non-Federal entity that **expends less than \$750,000** during the non-Federal **entity's fiscal year** in Federal awards is **exempt from Federal audit requirements for that year**, except as noted in §200.503, **but records must be available for review or audit by appropriate officials** of the Federal agency, pass-through entity, and Government Accountability Office (GAO).
  - (e) ~~**Federally Funded Research and Development Centers (FFRDC).** Management of an auditee that owns or operates a FFRDC may elect to treat the FFRDC as a separate entity for purposes of this part. (NOT APPLICABLE)~~
  - (f) **Subrecipients and contractors.** An auditee may simultaneously be a recipient, a subrecipient, and a contractor. Federal awards expended as a recipient or a subrecipient **are subject to audit** under this part. The payments received for goods or services provided as a contractor **are not Federal awards**. Section [§ 200.331](#) sets forth the considerations in determining whether payments constitute a Federal award or a payment for goods or services provided as a contractor.
  - (g) **Compliance responsibility for contractors.** In most cases, the auditee's compliance responsibility for contractors is only to ensure that the procurement, receipt, and payment for goods and services comply with Federal statutes, regulations, and the terms and conditions of Federal awards. **Federal award compliance requirements normally do not pass through to contractors. However, the auditee is responsible for ensuring compliance for procurement transactions which are structured such that the contractor is responsible for program compliance or the contractor's records must be reviewed to determine program compliance.** Also, when these procurement transactions relate to a major program, the scope of the audit must include determining whether these transactions are in compliance with Federal statutes, regulations, and the terms and conditions of Federal awards.
  - (h) **For-profit subrecipient.** Since this part does not apply to for-profit subrecipients, the pass-through entity is responsible for establishing requirements, as necessary, to ensure compliance by for-profit subrecipients. The agreement with the for-profit subrecipient must describe applicable compliance requirements and the for-profit subrecipient's compliance responsibility. Methods to ensure compliance for Federal awards made to for-profit subrecipients may include pre-award audits, monitoring during the agreement, and post-award audits. See also [§ 200.332](#).
- ii. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.

The municipality/recipient must have a DUNS number and maintain an active registration in [SAM.gov](#)

- iii. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.
- iv. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.

Before engaging any contractor, check to make sure they aren't on the federal government's "naughty list." It isn't hard to do. Debarment and suspensions are now wrapped into a single term called "Exclusions" and can be found on the following website: <https://sam.gov/content/exclusions>. First, you will need to sign in. There is a "how-to" guide for searching Exclusions and it can be found [HERE](#).

**TIP:** for each contractor you search, take a screenshot of the results of your search and save it to your electronic ARPA file so you can show that you searched the Exclusions list. When you take the screenshot, be sure it include the date/time stamp in the lower right-hand corner of your computer screen as proof!

- v. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.

This condition applies if the total value of your currently active grants, cooperative agreements, and procurement contracts **from all federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of this federal award.** If this applies to you, then your community probably has paid staff and consultants who manage the level of detail and complexity of this condition.

- vi. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.

If you have an adopted Personnel Policy, it likely contains a section on Drug-Free Workplace. Check to see if it does and that it complies with the elements contained in [31 C.F.R Part 20](#). If it does not, then you will need to take steps to ensure that your municipality complies with the requirements of [31 C.F.R Part 20](#).

There are two general requirements:

(a) First, you must make a good faith effort, on a continuing basis, to maintain a drug-free workplace. You must agree to do so as a condition for receiving any award covered by this part. The specific measures that you must take in this regard are described in more detail in subsequent sections of this subpart. Briefly, those measures are to -

(1) Publish a drug-free workplace statement and establish a drug-free awareness program for your employees (see [§§ 20.205](#) through [20.220](#)); and

(2) Take actions concerning employees who are convicted of violating drug statutes in the workplace (see [§ 20.225](#)).

(b) Second, you must identify all known workplaces under your Federal awards (see [§ 20.230](#)).

- vii. New Restrictions on Lobbying, 31 C.F.R. Part 21.

In general, recipients of federal funds are not allowed to use federal funding to lobby federal, state, or local officials or their staff to receive additional funding or influence legislation.

- viii. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.

The Uniform Relocation Assistance and Real Property Acquisition Act (URA), is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. Overview of URA can be found [HERE](#)

- ix. Generally applicable federal environmental laws and regulations.

- c. Statutes and regulations prohibiting discrimination applicable to this award include, without limitation, the following:

- i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury’s implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance;

This condition is also included in the companion document to this Terms and Conditions, [Assurances of Compliance with Civil Rights Requirements](#), which you signed upon accepting and certifying for your ARPA award. The “Assurances” doc goes into much greater detail than this single condition and builds on it by expounding on the Federal Executive Order 13166, “Improving Access to Services for Persons with Limited English Proficiency.”

- ii. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;

The Fair Housing Act protects people from discrimination when they are renting or buying a home, getting a mortgage, seeking housing assistance, or engaging in other housing-related activities. To read more about the details of this Act click [HERE](#).

- iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance;

Section 504 of the Rehabilitation Act of 1973 is a national law that protects qualified individuals from discrimination based on their disability. The nondiscrimination requirements of the law apply to employers and organizations that receive financial assistance from any federal department or agency. Section 504 forbids organizations and employers from excluding or denying individuals with disabilities an equal opportunity to receive program benefits and services. It defines the rights of individuals with disabilities to participate in, and have access to, program benefits and services.

- iv. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and

The Act prohibits discrimination on the basis of age in programs and activities receiving federal financial assistance. The Act, which applies to all ages, permits the use of certain age distinctions and factors other than age that meet the Act's requirements. The Age Discrimination Act is enforced by the [Civil Rights Center](#).

- v. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

The Americans with Disabilities Act (ADA) became law in 1990. The ADA is a civil rights law that prohibits discrimination against individuals with disabilities in all areas of public life, including jobs, schools, transportation, and all public and private places that are open to the general public. The purpose of the law is to make sure that people with disabilities have the same rights and opportunities as everyone else. The ADA gives civil rights protections to individuals with disabilities similar to those provided to individuals on the basis of race, color, sex, national origin, age, and religion. It guarantees equal opportunity for individuals with disabilities in public accommodations, employment, transportation, state and local government services, and telecommunications. The ADA is divided into five titles (or sections) that relate to different areas of public life.

In 2008, the Americans with Disabilities Act Amendments Act (ADAAA) was signed into law and became effective on January 1, 2009. The ADAAA made a number of significant changes to the definition of "disability." To read more about the details of this Act, please click [HERE](#)

10. **Remedial Actions.** In the event of Recipient's noncompliance with section 603 of the Act, other applicable laws, Treasury's implementing regulations, guidance, or any reporting or other program requirements, Treasury may impose additional conditions on the receipt of a subsequent tranche of future award funds, if any, or take other available remedies as set forth in 2 C.F.R. § 200.339. In the case of a violation of section 603(c) of the Act regarding the use of funds, previous payments shall be subject to recoupment as provided in section 603(e) of the Act.

"RECOUPMENT" (copied from Social Security Act, Section 603(e): Any metropolitan city, non-entitlement unit of local government (NEU), or county that has failed to comply with subsection (c) shall be **required to repay** to the Secretary **an amount equal to the amount of funds used in violation of such subsection.**

Generally what this means: Recoupment is synonymous with the term "clawback." If Treasury learns you misused all or some of your ARPA award funds, it is very likely you will have to repay the amount that you misused.

Condition 14 below addresses recoupment/clawback money owed to Treasury.

11. **Hatch Act.** Recipient agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.

The Hatch Act, a federal law passed in 1939, limits certain political activities of federal employees, as well

as some state, and local government employees who work in connection with federally funded programs. The law's purposes are to ensure that federal programs are administered in a nonpartisan fashion, to protect federal employees from political coercion in the workplace, and to ensure that federal employees are advanced based on merit and not based on political affiliation.

12. **False Statements.** Recipient understands that making false statements or claims in connection with this award is a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and/or any other remedy available by law.

Simply: be honest and tell the truth. We can all understand this one.

13. **Publications.** Any publications produced with funds from this award must display the following language: **"This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to [name of Recipient] by the U.S. Department of the Treasury."**

If you issue a press release, public statement, publication, project signage, etc. about projects funded by your community's ARPA money, then you must include the bolded language above (modified for your municipality as the Recipient).

We don't yet know what the federal award identification number is for this funding.

14. **Debts Owed the Federal Government.**

- a. Any funds paid to Recipient (1) in excess of the amount to which Recipient is finally determined to be authorized to retain under the terms of this award; (2) that are determined by the Treasury Office of Inspector General to have been misused; or (3) that are determined by Treasury to be subject to a repayment obligation pursuant to section 603(e) of the Act and have not been repaid by Recipient shall constitute a debt to the federal government.
- b. Any debts determined to be owed the federal government must be paid promptly by Recipient. A debt is delinquent if it has not been paid by the date specified in Treasury's initial written demand for payment, unless other satisfactory arrangements have been made or if the Recipient knowingly or improperly retains funds that are a debt as defined in paragraph 14(a). Treasury will take any actions available to it to collect such a debt.

Condition 14 a. & b. relate to Condition 10. If Treasury learns you misused all or some of your ARPA award funds, it is very likely you will have to repay the amount that you misused. This amount would become a debt owed to the federal government that must be repaid. Like with any debt, failure to make payments resulting in delinquency will have repercussions.

15. **Disclaimer.**

- a. The United States expressly disclaims any and all responsibility or liability to Recipient or third persons for the actions of Recipient or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this award or any other losses resulting in any way from the performance of this award or any contract, or subcontract under this award.
- b. The acceptance of this award by Recipient does not in any way establish an agency relationship between the United States and Recipient.

This basically says the federal government is not responsible or liable for any wrongdoing your municipality carries out with its ARPA award. They are legally free and clear.

16. Protections for Whistleblowers.

- a. In accordance with 41 U.S.C. § 4712, Recipient may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.
- b. The list of persons and entities referenced in the paragraph above includes the following:
  - i. A member of Congress or a representative of a committee of Congress;
  - ii. An Inspector General;
  - iii. The Government Accountability Office;
  - iv. A Treasury employee responsible for contract or grant oversight or management;
  - v. An authorized official of the Department of Justice or other law enforcement agency;
  - vi. A court or grand jury; or
  - vii. A management official or other employee of Recipient, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct.
- c. Recipient shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

17. Increasing Seat Belt Use in the United States. Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Recipient **should encourage** its contractors to adopt and enforce on-the- job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles.

This does not mean that the municipality must adopt an on-the-job seat belt policy. It means that the municipality should (note it does not say “shall”) encourage (note it does not say “require”) its contractors (this is anyone with whom the municipality contracts for services using its CLFRF funding) to adopt this policy.

To meet this condition, the municipality might put the following language in all its contracts/agreements using CLFRF funding:

*“Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), the Town/Village/City of XXXX encourages all its contractors to comply with state law by adopting and enforcing on-the- job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles.”*

Also, wearing a seatbelt is the law in Vermont.

18. Reducing Text Messaging While Driving. Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), Recipient **should encourage** its employees, subrecipients, and contractors to adopt and enforce policies that ban text messaging while driving, and Recipient **should** establish workplace safety policies to decrease accidents caused by distracted drivers.

This does not mean that the municipality must adopt a policy that bans text messaging while driving (although it should!). It means that the municipality should (note it does not say “shall”) encourage (note it does not say “require”) its employees/subrecipients/contractors to adopt this policy.

To meet this condition, the municipality might put the following language in all its contracts/agreements using CLFRF funding:

*“Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), the Town/Village/City of XXXX encourages its employees, subrecipients, and contractors to adopt and enforce policies that ban text messaging while driving and fully comply with state law.”*

VLCT’s Risk Management Team highly recommends that every member establish workplace safety policies to decrease accidents caused by distracted drivers.

Also texting while driving is against the law in Vermont.