# EXAMPLE 1: REIMBURSING PRIOR SALARY AND BENEFIT EXPENDITURES

*In this example, the Town of Tarheel’s total ARP/CSLFRF allocation is $1.3 million. The governing board wants to use $650,000 to reimburse itself for certain departmental salaries and benefits it incurred between March 3, 2021 and March 31, 2022. It has not yet determined how to expend the remaining funds.*

## Sample Grant Project Ordinance

**Grant Project Ordinance for the Town of TarHeel American Rescue Plan Act of 2021: Coronavirus State and Local Fiscal Recovery Funds**

**BE IT ORDAINED** by the town council of the Town of TarHeel, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted:

**Section 1:** This ordinance is to establish a budget for a project to be funded by the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP/CSLFRF). The Town of TarHeel (Town) has received the first tranche in the amount of $650,000 of CSLFRF funds. The total allocation is $1,300,000, with the remainder to be distributed to the Town approximately 12 months after the first distribution. These funds may be used for the following categories of expenditures, to the extent authorized by state law.

1. Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
3. Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
4. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

**Section 2:**The Town has elected to take the standard allowance, as authorized by 31 CFR Part 35.6(d)(1) and expend all its ARP/CSLFRF funds for the provision of government services.

**Section 3:** The following amounts are appropriate for the project and authorized for expenditure:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Internal Project Code** | **Project Description** | **Expenditure Category (EC)** | **Cost Object** | **Appropriation of ARP/CSLFRF Funds** |
| 001 | Law Enforcement Services for period of March 3, 2021 through March 31, 2022 | 6.1 | Salaries | $260,000 |
| Benefits | $40,000 |
| 002 | Finance Services for period of March 3, 2021 through March 31, 2022  | 6.1 | Salaries | $140,000 |
| Benefits | $10,000 |
| 003 | Parks & Recreation Services for period of March 3, 2021 through March 31, 2022 | 6.1 | Salaries  | $180,000 |
| Benefits | $20,000 |
|  | Unassigned |  |  | $650,000 |
|  | **TOTAL** |  |  | **$1,300,000** |

**Section 4:** The following revenues are anticipated to be available to complete the project:

**ARP/CSLFRF Funds:** $1,300,000

**Total:**  **$1,300,000**

**Section 5:**The Finance Officer is hereby directed to maintain sufficient specific detailed accounting records to satisfy the requirements of the grantor agency and the grant agreements, including payroll documentation and effort certifications, in accordance with 2 CFR 200.430 & 2 CFR 200.431 and the Town’s Uniform Guidance Allowable Costs and Cost Principles Policy.

**Section 6:**The Finance Officer is hereby directed to report the financial status of the project to the governing board on a quarterly basis.

**Section 7:** Copies of this grant project ordinance shall be furnished to the Budget Officer, the Finance Officer and to the Clerk to Town Council.

**Section 8:**This grant project ordinance is effective as of March 3, 2021, and expires on December 31, 2026, or when all the ARP/CSLFRF funds have been obligated and expended by the Town, whichever occurs sooner.

REQUIRED SIGNATURES HERE.

## Sample Journal Entries

Entry for the ARP special revenue fund

Transfer out – general fund (reimbursement) $650,000

 Cash $650,000

Entry for the general fund

Cash $650,000

 Transfer in – ARP special revenue fund $650,000 (reimbursement)