

## **ARPA SLFRF Childcare Expansion Capital Project Questions and Answers**

- 1. Q: When reporting number of people/children served, do we include every child or only additional children served?**

**A:** Only report the number of additional or new children served under the expansion. If you are doing extensive construction, it is understood that you may not have any additional children served for several months.

- 2. Q: To ensure all items are followed meticulously, are we allowed to assign and pay our architect or hire a consultant to manage all regulatory requests and oversee the process?**

**A:** Yes, subrecipients are allowed to hire a consultant or have their architects or general contractors help with ensuring that all regulations are followed. However, no additional funds will be awarded to cover these costs, so they must be paid from the original award amount.

Additionally, the State wants to emphasize the requirements under 2 CFR 200 has been in effect since 2015 and replaced regulations that had been around since the early 1990s. Therefore, most general contractors and architects should be familiar with these requirements and are potentially already following them, so don't be daunted!

- 3. Q: Can the award be placed into an escrow account for distribution of funds?**

**A:** No. Placing ARPA funds into any type of escrow account is not allowable under the Federal guidance.

- 4. Q: How are existing structures that need repairs being handled?**

**A:** Repairing or remodeling existing structures is handled the same way as new construction. Subrecipients must go out for competitive bidding to obtain the architect, general contractor, subcontractors, consultants, etc. Additionally, all the requirements under 2 CFR 200.317 to 2 CFR 200.327 must be followed.

- 5. Q: How can we ensure our contractors are using Davis-Bacon wages? With our current facility under a different grant, we just wrote a statement and had them sign it, will it be something similar?**

**A:** The State recommends that the contractor use the Department of Labor's Payroll worksheet (<https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/wh347.pdf>) that the subrecipient then checks against the Davis-Bacon wages to ensure wage requirements are met. Subrecipients can certainly have the general contractor sign a statement regarding the payment of Davis-Bacon wages. However, when the State monitors the project, this type of statement will not suffice. We will ask for the payroll allocation worksheet and/or paystubs to compare actual wages versus requirements.

**6. Q: Is the grant only for construction or can it be used for kitchen equipment, phones, computers, etc.?**

**A:** Kitchen equipment, bathroom equipment, and other materials related to new construction or remodeling are permitted. General operating expenses (phones, computers, etc.) are not the intent of these funds.

**7. Q: Is the State aware of any companies the Treasury Department would authorize us to hire to assist us with the SLFRF Compliance and Reporting requirements?**

**A:** The State does not have any direct recommendations regarding consulting services. However, most architects or general contractors should be familiar with the requirements under 2 CFR 200.317 to 2 CFR 200.327. Additionally, subrecipients could go out for bid for an architect or consultant with the requirement that they be familiar with these regulations. The State will not increase awards to cover consulting costs, so any costs must come from the original grant amount.

**8. Q: If our project is nearing completion, is there still a need to provide the construction timelines and checklists?**

**A:** Yes, the State will need a copy of the project timeline with the completion date identified and a checklist or document showing that permits were received, inspections were completed, and all building codes were followed.

**9. Q: How is the sub-grant paid out?**

**A:** The sub-grant is paid on a reimbursement basis. This means the subrecipient any invoices first and then the state reimburses the subrecipient. The process will likely be as follows:

- 1) The subrecipient pays the invoice from contractor, architect, consultant, etc.
- 2) After payment has been made, the subrecipient submits a completed Request for Reimbursement (RFR) form and attaches the invoice and/or other supporting documents as proof of payment to the State Agency with program oversight (i.e., RFRs and supporting documentation for the Child Care Expansion projects would be submitted to the Division of Welfare and Supportive Services, Child Care and Development program pursuant to the instructions stated on the non-profits subaward).
- 3) The Child Care and Development team will review the submission and either approve it for reimbursement or ask additional questions. This process can take up to two weeks.
- 4) Payment will be issued directly to the subrecipient.

If the subrecipient is experiencing trouble issuing the payment prior to receiving the grant funds, please contact the State oversight agency contact person shown on the subaward. They will work with subrecipients on a case-by-case basis to come up with a solution.

**10. Q: Can land or real estate be purchased with this grant?**

**A:** If the purchase of land or real estate was approved in the subrecipient's grant application, it is an allowable purchase. Additionally, because a particular piece of land or real estate is only available from one seller, it is exempt from the competitive bidding requirements ([per 2 CFR 200.320\(c\)\(2\)](#)).

Also, because federal funds are being used to purchase the property, the State believes that subrecipients will have to follow [2 CFR 200.311](#) whenever the land or property is no longer going to be used as the intended purpose approved for federal funding. This rule states that the Federal Government must be compensated if the land/real estate is sold or no longer used for the intended purpose funded with federal dollars. If the subrecipient sells the land, one of the calculation methods provided under this rule must be used to determine how much needs to be paid back to the Treasury and a check issued in that amount to the Treasury Department.