

ARPA Evaluation

Project Description

What is the proposed use of Fiscal Recovery Funds?

[*Note: The following uses are prohibited: (i) extraordinary deposits into pension funds, (ii) debt services payments, (iii) replenishment of financial reserves or rainy-day funds, and (iv) satisfaction of settlements or judgments*]

Name of Entity:

Community Missions Corporation

Services and Deliverables:

Administrative support associated with the operation of a cold weather homeless shelter managed by Community Missions Corporation. Staff employed by the Community Missions Corporation will provide supportive services to St Joseph residents experiencing homelessness staying at facility located at 700 Olive Street.

What is the actual or estimated cost?

\$50,000

If this reimbursement of a prior expense?

No

If a prior expense, on what date(s) did it occur? (Enter "N/A" if not applicable)

[*Note: Expense must have occurred on or after March 3, 2021, except for Premium Pay which may have occurred on or after January 27, 2020.*]

N/A

What total amount of Fiscal Recovery Funds will your organization receive?

\$38,704,807.00

What is the COVID-19 public health or economic impact to be addressed?

COVID-19 has disproportionately impacted the chronically homeless, leading to continued homelessness in the St. Joseph community.

How will the proposed use address the targeted COVID-19 public health or economic impact?

Through reimbursement of operating expenses for the cold weather shelter to address chronic homelessness.

Does the proposed use include capital expenditures greater than \$1 million?

No

Would the proposed expense benefit low-income, Native American and/or other people disproportionately impacted by the pandemic?

Recipient household median income below \$65,880?

Yes

Recipient household median income below \$40,626?

Yes

Other disproportionately impacted population (describe):

Provides operational support for housing chronically homeless adults.

Would the proposed expense occur within a Qualified Census Tract or benefit people located in a Qualified Census Tract? (Enter "N/A" if not applicable)

Five qualified census tracts are located within St. Joseph and Buchanan County. The funding proposed will be used to reimburse operational expenses for a cold weather shelter that houses chronically homeless individuals. Because the individuals to be served are homeless, they cannot provide a residence location and we are, thus, unable to state that these individuals "reside" within one of the five qualified census tracts.

What other approaches, if any, were considered? Why was this approach selected? (This question addresses whether the proposed expense is proportional to the pandemic-related harm being addressed)

This is a proportional solution to address the harm caused by the pandemic including housing the unhoused in disproportionately impacted communities.

Eligibility Evaluation

Eligible Use Categories and Sub-Categories

Based on the Project Description, it appears that the proposed use of Fiscal Recovery Funds could be eligible under the following Expenditure Categories as identified in as identified in Appendix 1 of the U.S. Treasury's Compliance and Reporting Guidance, Version 3.0 dated February 28, 2022.

Negative Economic Impacts/Assistance to Non-Profits Expenditure Category 2.34

Assistance to Impacted Nonprofit Organizations[^]

*Denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions

[^]Denotes areas where recipients must report on whether projects are primarily serving disadvantaged communities

Final Rule

The U.S. Department of the Treasury's Final Rule was released on January 7, 2022. It is additive to the provisions outlined in the Interim Final Rule. Therefore, unless specifically and directly refuted, the Final Rule reaffirms all provisions of the Interim Rule. The references and citations to the Final Rule set forth below can be found in full text of the Final Rule: <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule.pdf>.

Expenditure Category 2.34 (Assistance to Impacted Nonprofit Organizations)

Final Rule References -- Pages 153 - 161

"...ARPA and the interim final rule provided that nonprofit organizations may also receive funds as subrecipients of a recipient government....subrecipients carry out an eligible use of SLFRF funds on behalf of a recipient government (e.g., a recipient government that would like to provide food assistance to impacted households may grant funds to a nonprofit organization to carry out that eligible use). Recipients generally have wide latitude to award funds to many types of organizations, including nonprofit or for-profit organizations, as subrecipients to carry out eligible uses of funds on their behalf...."

"...the interim final rule also allowed for, and the final rule maintains, the ability for the recipient to transfer, e.g., via grant or contract, funds to nonprofit entities to carry out an eligible use on behalf of the recipient. Treasury notes that recipients may award SLFRF funds to many different types of organizations to carry out eligible uses of funds and serve beneficiaries on behalf of a recipient government....When a recipient provides funds to an organization to carry out eligible uses of funds and serve beneficiaries, the organization becomes a subrecipient. In this case a nonprofit need not have experienced a negative economic impact in order to serve as a subrecipient."

"Recipients may transfer funds to subrecipients in several ways, including advance payments and on a reimbursement basis. Ultimately recipients must comply with the eligible use requirements and any other applicable laws or requirements and are responsible for the actions of their subrecipients and beneficiaries."

Interim Final Rule References -- Pages 26,794 - 26,795

Small businesses and Non-profits faced significant challenges in covering payroll, mortgages or rent, and other operating costs as a result of public health emergency and measures taken to contain the spread of the virus. State, local, and Tribal governments may provide assistance to small businesses to adopt safer operating procedures, weather periods of closure, or mitigate financial hardship resulting from the COVID-19 public health emergency, including:

- Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs;
- Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs; and
- Technical assistance, counseling, or other services to assist with business planning needs.

Managing Risk

Recipients of Fiscal Recovery Funds are asked to decide how to use the money based on interpretation of the American Rescue Plan Act and the guidance provided by the U.S. Department of the Treasury in the Final Rule Interim Final Rule, and Frequently Asked Questions (together, the "Rule). Therefore, any allocation decision creates a degree of risk that the Fiscal Recovery Fund Expenditure may be deemed ineligible either through the recipient's single audit or selective review by the U.S. Department of the Treasury. The burden of proof borne by the recipient increases based on whether the proposed use is enumerated in the Rule and whether the project includes subrecipients or capital expenditures. The table on the next page indicates where this project falls on the Burden of Proof Continuum.

Burden of Proof Continuum

This Project	Burden of Proof Category (lowest to highest)	Category Description
	Funded from revenue loss	Projects under Expenditure Category 6.1, Provision of Government Services, paid from the award portion designated as revenue loss.
	Enumerated direct payment	Projects clearly enumerated in the Rule as an authorized use. Expenditures are in the form of direct payments to beneficiaries or to contractors for goods or services.
X	Enumerated subaward	Projects clearly enumerated in the Rule as an authorized use. Expenditures are in the form of subawards to subrecipients, which have programmatic decision-making authority. As a pass-through entity, the recipient is responsible for monitoring the subrecipient's use of the subaward.
	Non-Enumerated direct payment	Projects not clearly enumerated in the Rule as an authorized use, but which may be funded based on the recipient's identification of; (1) the COVID-19 public health or economic impact, and (2) design of a proportional response that addresses or responds to the impact. Expenditures are in the form of direct payments to beneficiaries or to contractors for goods or services.
	Non-enumerated subaward	Projects not clearly enumerated in the Rule as an authorized use, but which may be funded based on the recipient's identification of. (1) the COVID-19 public health or economic impact, and (2) design of a proportional response that addresses or responds to the impact. Expenditures are in the form of subawards to subrecipients, which have programmatic decision-making authority. As a pass-through entity, the recipient is responsible for monitoring the subrecipient's use of the subaward.
	Enumerated Capital < \$1 million	Projects clearly enumerated in the Rule as an authorized use with capital expenditures less than \$1 million. Not applicable to Expenditure Category 5.0, Infrastructure.
	Non-Enumerated Capital < \$1 million	Projects not clearly enumerated in the Rule as an authorized use with capital expenditures less than \$1 million. Not applicable to Expenditure Category 5.0, Infrastructure.
	Enumerated Capital between \$1 and \$10 million	Projects clearly enumerated in the Rule as an authorized use with capital expenditures greater than or equal to \$1 million and less than \$10 million. Necessitates independent preparation of a Written Justification which must include; (1) description of the harm or need to be addressed, (2) explanation of why a capital expenditure is appropriate, and (3) comparison to at least two alternative capital expenditures. The Written Justification is not required to be submitted as part of regular reporting to Treasury. Not applicable to Expenditure Category 5.0, Infrastructure.
	Enumerated Capital > \$10 million	Projects clearly enumerated in the Rule as an authorized use with capital expenditures greater than \$10 million. Necessitates independent preparation of a Written Justification which must include; (1) description of the harm or need to be addressed, (2) explanation of why a capital expenditure is appropriate, and (3) comparison to at least two alternative capital expenditures. The Written Justification is required to be submitted as part of regular reporting to Treasury. Not applicable to Expenditure Category 5.0, Infrastructure.
	Non-Enumerated Capital > \$10 million	Projects not clearly enumerated in the Rule as an authorized use with capital expenditures equal to or greater than \$1 million. Necessitates independent preparation of a Written Justification which must include; (1) description of the harm or need to be addressed, (2) explanation of why a capital expenditure is appropriate, and (3) comparison to at least two alternative capital expenditures. The Written Justification is required to be submitted as part of regular reporting to Treasury. Not applicable to Expenditure Category 5.0, Infrastructure.

[Note: There are other risks associated with use of Fiscal Recovery Funds. The Burden of Proof Continuum considers only the risk that the proposed use is deemed ineligible.]