



Paul D. Joyce, CPA
State Examiner

ARPA

Refresher

2024 Annual Fall Auditors Conference



PAUL D. JOYCE, CPA STATE EXAMINER

Indiana's State Examiner and the agency head for the State Board of Accounts, Paul Joyce coordinates and manages the post-audits and examinations of over 4,000 state and local governmental entities in Indiana.



Obligation of ARPA

Deadlines:

- Must be obligated by December 31, 2024
- Must be spent by December 31, 2026



Obligation Defined:

- ❑ To mean an order placed for property and services and entry into contracts, subawards, and similar transactions that require payment.



NOT an Obligation

- An adopted budget or budget amendment
- An appropriation of SLFRF funds
- An executive order
- A resolution
- A written or oral intention to enter into a contract
- A grant of legal authority to enter into a contract
- Claiming funds under the revenue loss category
- Moving SLFRF funds to a general fund as revenue loss but not further establishing an obligation with those funds by 12/31/24



Obligation IS:

- A Contract
- A Subaward
- An Order placed for Property or Services
- Payroll Costs for 2025 and 2026
 - For position created & filled prior to 12/31/24
 - In connection with Eligible Use
- Legal and Administrative Costs for 2025 and 2026
 - Includes Audit Costs, reporting & compliance requirements costs, subrecipient monitoring costs



Contracts:

- ❑ Change Orders – Allowed if agreement included a provision allowing for change orders
- ❑ Amendment to Existing Contract – Allowed if substantially the same scope and same purpose as original
- ❑ Replacing Existing Contract – Allowed only if:
 - Contract terminated due to business default, closure, or inability to perform
 - Mutual agreement to terminate
 - County terminates for convenience when contract was not properly awarded

Replacement contract must be substantially the same scope and same purpose as original contract





Audit Expectations

Obligation Documentation:

- A Contract
- A Subaward
- A Purchase Order / Invoice
- Payroll Costs for 2025 and 2026
 - Description of positions
 - Estimate of payroll costs (including benefits)
- Legal and Administrative Costs for 2025 and 2026
 - Description of costs
 - Estimate of Costs



Contract Changes:

- Original Contract
- Any modifications:
 - Change orders
 - Amendments
 - Replacement Contract
- Documentation of determinations of how the scope is either the same or substantially the same purpose as the original contract



Allowable Activities & Costs:

- Allowable per Compliance Supplement
- Agrees to the ARPA Plan
- Claims support use
- Supporting documentation:
 - Invoice
 - Contract
 - Subaward



Period of Performance:

- Costs incurred between:
 - March 3, 2021 - December 31, 2024

- Obligation was made prior to December 31, 2024

- Disbursed by December 31, 2026



Procurement:

- Procurement standards are in 2 CFR 200.318 through 200.327 are followed
 - Proper procurement method used for the contracts are appropriate based on the dollar amount and the conditions
- Public Purchase Law (IC 5-22) has been followed
- Local Procurement Policy has been adopted and followed
- Suspension and Debarment



Reporting:

- ❑ Interim Reports, Project & Expenditure Reports, and Recovery Plan Performance Report are submitted:
 - Timely
 - Accurately
 - Agree to supporting documentation



Subrecipient Monitoring:

- Subawards are monitored by the county:
 - Agreements
 - Claims
 - Reports
- Determination by county of beneficiary or subrecipient relationships
- No monitoring required for beneficiaries



Internal Controls:

- Segregation of Duties
- Ensure operations are running
- Reporting is timely & accurate
- Compliance with laws and regulations
- Documentation of controls



Contact Us

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