



**Community Priority Fund
Subrecipient Contracting
Frequently Asked Questions (FAQs)**

Last updated: 10/13/2022

This document includes questions from organizations who have been approved to receive American Rescue Plan Act (ARPA) Community Priority Fund (CPF) funds. This list was compiled to provide answers to these questions, and general guidance during the contracting process. The document is updated as new questions are received.

Getting Contract-Ready

What documentation is needed to sign the contract?

This [checklist](#) outlines the items and documents that must be in place in order to finalize the contract. All documents in the checklist must be received before the contract can be signed, except for the written Policies and Procedures (conflict of interest, finance, procurement, drug-free workplace) which must be received within 30 days after the County signs the contract.

What insurance coverage do we need?

Awardees must provide proof of Workers Compensation, Commercial General Liability, and Automobile Liability coverage to sign the contract. See contract boilerplate for detailed coverage amounts.

If the awardee does not have coverage, they can submit a written request to waive that specific insurance requirement stating the reason they do not have the coverage. This request will be reviewed by Washtenaw County Risk Management who may approve or deny the waiver or request additional information.

Do we need to register with SAM.gov?

You can either register for free online at SAM.gov or complete the SAM.gov questionnaire on the last page of the contract boilerplate.

Can we include indirect/overhead costs in the budget?

Yes, indirect costs (also called overhead or administrative costs) are eligible. Indirect costs can be no more than 10% of the total direct costs. The total costs (direct + indirect) can be no more than the total award amount.

Review the Uniform Guidance [Sections 200.412-414](#) on classification of direct and indirect costs.

Direct costs are costs that are reasonably and specifically needed to carry out the award activities. Indirect costs are costs that the awardee would incur even without the federal award, and which could be covered by multiple funding sources. Examples of indirect costs could be utilities, rent, or administrative pay, if used to support award activities as well as other activities not covered by the award.

Awardees must document how they allocated costs in the award budget. For example, a portion of the rent can be allocated as a direct cost based on the square footage within the space or based on the percent of time that the space is used for award activities.

Similarly, a portion of the utility cost can be allocated as a direct cost based on the amount of time or number of staff using the phone, internet, etc. for award activities vs. non-award activities.

Are capital expenditures eligible under CPF? What are the requirements?

Yes, capital expenditures such as purchase of land, property, buildings, vehicles, or other assets are eligible under the Community Priority Fund. Awardees must complete the Capital Expenditures Information form to describe planned capital expenditures.

Capital expenditures are subject to federal Uniform Guidance regarding procurement practices, property management, depreciation, and disposition of real property and equipment.

In particular, if the property or equipment has market value of at least \$5000 and is sold or used for another purpose after the award ends, the awardee must repay the federal government proportionally. For example, if the CPF award is used to fund 50% of the cost of a new vehicle or building, the awardee must repay the federal government 50% of the proceeds if they sell that vehicle or building in the future.

How long does it take for the contract to be signed?

The steps and timeline for contract preparation are as follows:

1. CBO works with Evaluation Team to draft and finalize scope of work (SOW) and budget using the template provided. CBO provides insurance certificates, finalized SOW and budget, and completes or demonstrates progress on the remaining requirements around financial management and organizational policies (this can take as much time as needed to ensure requirements are met).
2. County inserts SOW and budget to the contract boilerplate and routes it to CBO for electronic signature (1 business day).
3. CBO signs and returns contract to county via email (1 business day).
4. County routes contract through review and signature process (2-3 weeks). Contract officially begins on the day the County signs.

Invoices and Payments

Once the contract is signed, when can we receive the funds?

After the County signs the contract and creates a Purchase Order, awardees can begin submitting invoices and receiving payment. Payment can be made by ACH (direct deposit) or by check via US mail. Direct deposits are typically paid within 1 week and checks are typically paid within 1 week plus delivery time via US mail (3-5 days).

How do we submit invoices?

Awardees will submit monthly invoices electronically to the County for reimbursement using the County-provided invoice template or the subrecipient's own invoice format. Awardees can also request advance payments for specific up-front expenses such as supplies, equipment, or payroll (up to 30 days), and provide documentation to demonstrate that the funds are spent in a timely manner.

Can we invoice for expenses incurred before the contract start date?

No. The CPF funds can only be used for expenses incurred after the contract is signed by the County. All funds must be spent by December 31, 2024.

Can we revise our budget and/or scope of work after the contract begins?

Yes, changes to the proposed scope of work and/or budget must be submitted in writing and approved by the County. A Budget Modification Request template is available. Changes must be approved by the County before submitting invoices for new budget items/activities.

Financial Management

Is a financial audit required?

A financial audit is not required but is strongly recommended to increase the organization's capacity and prepare for future funding opportunities. The County will accept a 990 form or tax return in lieu of a financial audit.

Any organization that receives \$750,000 or more in federal funding within their fiscal year is required to complete a federal Single Audit. See federal Uniform Guidance 2 CFR, Chapter II, Part 200, Subpart F for detailed audit requirements:

<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-F?toc=1>

Can the CPF funds be used to pay for an audit?

Per [2 CFR § 200.425](#): "A reasonably proportionate share of the costs of audits required by, and performed in accordance with, the Single Audit Act Amendments of 1996 ([31 U.S.C. 7501-7507](#)), as implemented by requirements of this part, are allowable. However, the following audit costs are unallowable:

- (1) Any costs when audits required by the Single Audit Act and [subpart F of this part](#) have not been conducted or have been conducted but not in accordance therewith; and
- (2) Any costs of auditing a non-Federal entity that is exempted from having an audit conducted under the Single Audit Act and [subpart F of this part](#) because its expenditures under Federal awards are less than \$750,000 during the non-Federal entity's fiscal year."

In other words, audit costs can only be billed as direct costs if a Single Audit is required due to spending \$750,000 or more in federal funds in a single fiscal year. If the awardee spends less than \$750,000 in federal funds but elects to complete an audit, the awardee cannot charge the audit fees to the federal award.

Can the County recommend an accounting/HR/payroll service provider?

No, the County cannot recommend specific agencies. We suggest asking other awardees for recommendations.

Additional questions? Email sekara@washtenaw.org and/or miltzerm@washtenaw.org.