

Nebraska Military Department – Agency 31

ARPA Administrative Costs - Guidance Document

The following guidance document is advisory in nature but is binding on an agency until amended by such agency. A guidance document does not include internal procedural documents that only affect the internal operations of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document pursuant to Neb. Rev. Stat. 84-901.03.

Federal funds under the American Rescue Plan Act of 2021 (ARPA) are appropriated to the Nebraska Military Department, (Program 191) in LB 1014 (Sec. 34), (**\$10,000,000 in FY2021-22 and \$5,000,000 in FY2022-23**). There is included in the appropriation to this program for FY 2021-22 up to \$5,000,000 Federal Funds estimate and for FY 2022-23 up to \$5,000,000 Federal Funds estimate to reimburse the Department of Health and Human Services, Agency No. 25, Program No. 33, for information technology utilization expenses incurred which are related to pandemic relief processing and to equipment and operating a mobile workforce, from March 3, 2021, through June 30, 2023.

Pursuant to the federal American Rescue Plan Act of 2021, 42 U.S.C. 802. such funds shall be used to directly pay or reimburse state agencies, boards, and commissions for operating and administrative expenses associated with administering federal Funds allocated to the federal American Rescue Plan Act of 2021, 42 U.S.C. 802. The Nebraska Military Department shall monitor and approve the expenditures for this program.

Costs must be reasonable and allocable as outlined in 2 CFR 200.404 and 2 CFR 200.405. Pursuant to the SLFRF Award Terms and Conditions, recipients are permitted to charge both direct and indirect costs to their SLFRF award as administrative costs as long as they are accorded consistent treatment per 2 CFR 200.403. Direct costs are those that are identified specifically as costs of implementing the SLFRF program objectives, such as contract support, materials, and supplies for a project. Indirect costs are general overhead costs of an organization where a portion of such costs are allocable to the SLFRF award. Each category of cost should be treated consistently in like circumstances as direct or indirect, and recipients may not charge the same administrative costs to both direct and indirect cost categories, or to other programs. If a recipient has a current Negotiated Indirect Costs Rate Agreement (“NICRA”) established with a Federal cognizant agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals, then the recipient may use its current NICRA. Alternatively, if the recipient does not have a NICRA, the recipient may elect to use the de minimis rate of 10 percent of the modified total direct costs pursuant to 2 CFR 200.414(f).¹

The Program Administration Provisions section of the U.S. Treasury Final Rule describes the processes and requirements for administering the program on an ongoing basis, specifically as it relates to the following: distribution of funds, timeline for using funds, transfer of funds from a recipient to different organizations, use of funds for program administration, reporting on use of funds, and remediation and recoupment of funds used for ineligible purposes.²

¹ *Compliance and Reporting Guidance State and Local Fiscal Recovery Funds, U.S. Department of Treasury, Version: 3.0 February 28, 2022.*

² *Coronavirus State and Local Fiscal Recovery Funds, U.S. Department of Treasury, Final Rule, May 17, 2021.*

