



PANDEMIC RECOVERY OFFICE

GRANTS MANAGEMENT OFFICE

One Capitol Hill, 4th Floor
Providence, RI 02908-5890

State Fiscal Recovery Funds: Reporting to the U.S. Department of the Treasury

Purpose:

The purpose of this policy is to document the State's strategy for meeting U.S. Treasury's (UST) quarterly and annual reporting requirements for the State Fiscal Recovery Fund (SFRF), to support consistent, accurate reporting. This policy also outlines respective reporting responsibilities of the Pandemic Recovery Office, Grants Management Office, and SFRF Designated State Agencies.

Applicability:

This policy applies to all State Agencies, offices, departments, divisions, commissions, boards, councils, or other entities of the state receiving State Fiscal Recovery Funds.

Definitions:

Designated State Agency: A Rhode Island state agency, which, for the purposes of SFRF, is a part of the State as the prime recipient of the federal award.

Transfers: In the absence of a UST definition of a Transfer under the SFRF program, the State will rely on UST's Coronavirus Relief Fund (CRF) Transfer definition. For CRF, UST defined a transfer to another government entity as a disbursement or a payment to a government entity that is legally distinct from the prime recipient. The following organization types are considered another government entity: Municipal Government, and/or Indian/Native American Tribal Government (federally recognized). Payments to quasi state agencies and/or public higher education institutions are not considered transfers and should be considered subawards.

Direct Payment: In the absence of a UST definition of a Direct Payment under the SFRF program, the State will rely on UST's CRF Direct Payment definition. For CRF, UST defines a direct payment as a disbursement with or without an existing obligation to an entity that is not associated with a contract, grant, loan, or transfer to another government entity. For Rhode Island SFRF reporting purposes, a direct payment includes any payment not attached to a signed agreement, purchase order, or a batch payment.

Contract: Contract means, for the purpose of Federal financial assistance, a legal instrument by which a recipient or subrecipient purchases property or services needed to carry out the project or program under a Federal award" (2 CFR 200.1).

Subaward: Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract" (2 CFR 200.1). For SFRF, the State of Rhode Island is the pass-through entity, also referred to as the Prime Recipient.

Beneficiary: An individual or entity that receives funds from a Prime Recipient for the purpose of directly benefitting the individual or entity as a result of experiencing a public health impact or negative economic



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impact. For SFRF, beneficiaries are individuals, households, small businesses, impacted industries, or nonprofits that can receive assistance based on impacts of the pandemic that they experienced.

Classification of Type of UST “Subrecipient”: Historically, agencies have been responsible for making contractor/subrecipient determinations. Consistent with Uniform Grant Guidance (UGG) 2 CRF 200.331, the Rhode Island Grants Management Office (GMO) created a determination form for designated state agency use, previously provided to the Pandemic Recovery Office (PRO). For SFRF, this issue is complicated by UST’s use of the terms subrecipient and beneficiary.

Question 1.20 of UST’s *SLFRF Project and Expenditure Report User Guide* addresses the distinction between beneficiaries and subrecipients:

Beneficiaries -

“Individuals or entities that are direct beneficiaries of a project funded by Fiscal Recovery Funds are not considered subrecipients. Households, communities, small businesses, nonprofits, and impacted industries are all potential beneficiaries of projects carried out with SLFRF funds...”

The distinction between a subrecipient and a beneficiary, therefore, is contingent upon the rationale for why a recipient is providing funds to the individual or entity. If the recipient is providing funds to the individual or entity for the purpose of carrying out a SLFRF program or project on behalf of the recipient, the individual or entity is acting as a subrecipient. Acting as a subrecipient, the individual or entity is subject to subrecipient monitoring and reporting requirements. Conversely, if the recipient is providing funds to the individual or entity for the purpose of directly benefitting the individual or entity as a result of experiencing a public health impact or negative economic impact, the individual or entity is acting as a beneficiary. Acting as a beneficiary, the individual or entity is not subject to subrecipient monitoring and reporting requirements.”

Policy

- A. Level of Reporting to U.S. Treasury:** In the absence of guidance from the United States Treasury (UST), the State will report financial data, both obligations and expenditures, at the tier 1 level. The tier 1 level covers transactions between the Prime Recipient of State Fiscal Recovery Funds (SFRF), namely the State of Rhode Island and payees. This is the reporting process that was followed for the Coronavirus Relief Fund (CRF).

As with CRF, the State of Rhode Island, including all agencies, departments, and offices, is the Prime Recipient of SFRF funds. For the purposes of CRF, and now SFRF, quasi-state agencies and public higher education institutions are distinct from the Prime Recipient, in accordance with UST Office of Inspector General’s (OIG) August 28, 2020, *Coronavirus Relief Fund Frequently*



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Asked Questions Related to Reporting and Recordkeeping publication.¹ As a result, such entities are subrecipients of SFRF funds.

- B. Reporting Designations Consistently:** Each individual contract, direct payment, subaward, etc. must be reported consistently. If designated a contract or direct payment, the payee is a contractor or a beneficiary. If designated a subaward, the payee is a subrecipient. For transfers, generally the payee is a subrecipient. This designation is key because each type has distinct regulatory requirements.

Agencies are responsible for making the determination between subrecipient and contractor utilizing the determination tool distributed by PRO. For all SFRF projects where the determination is required, agencies must submit a completed determination form to the Pandemic Recovery Office.

If a designated state agency determines that a payee is a contractor, they are responsible for ensuring that all applicable procurement regulations are followed. If the designated state agency determines the payee to be a subrecipients, they are responsible for ensuring all required terms and conditions are passed to the subrecipient via the subrecipient agreement.

- C. Reporting on Programs Administered by Quasi-Public Entities:** Absent other guidance from UST, the State will report tier 1 transactions for programs operated by quasi-public entities (payments from the State to the quasi-public entity) and required performance metrics, as provided by the quasi-public entity. Quasi-public entities must maintain documentation of transactions from all tiers (payments from the quasi-public entity to intermediaries or payees) and beneficiaries. Quasi-public entities must report to the State pursuant to the terms of their subaward agreement. The designated state agency is responsible for the oversight of subawards made to quasi-public entities, pursuant to 2 CRF 200.331-332. PRO will provide designated state agencies with a subaward template, risk assessment tools, and additional guidance as needed, but is not responsible for subrecipient monitoring on individual projects.

- D. Roles and Responsibilities:** The Grants Management Office and the Pandemic Recovery Office will work collaboratively to assist State Agencies reporting SFRF expenditures to US Treasury. GMO and PRO have established clear roles in terms of SFRF reporting and will adhere to the following outline of duties.

Grants Management Office

The Grants Management Office (GMO) has developed a reporting workbook like the process used during CRF reporting. State Agencies will use this workbook to report expenditures down to the

¹ An “agency or department is considered part of the prime recipient as they are all part of the same legal entity...” (Treasury OIG, FAQ, August 28, 2020; OIG-CA-20-028R, March 2, 2021 <https://oig.treasury.gov/sites/oig/files/2021-03/OIG-CA-20-028R.pdf>).



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contract level. These expenditures are found in RIFANS and subsidiary financial systems such as MMIS. State Agencies using RIFANS as their financial system will be provided with a RIFANS extract to use for reporting. In the absence of contract level information in RIFANS, State Agencies will provide financial data to PRO and, indirectly, to GMO. State Agencies will upload completed workbooks to the portal which is a tool used for data validation and aggregation following a process established by GMO. GMO will complete a review of each workbook to ensure all financial data is reported accurately based on UST guidance. Upon completion of the review and validation of data submitted by State Agencies, GMO staff will complete the required UST report for review, certification and submission to UST by the Director of the Pandemic Recovery Office.

Pandemic Recovery Office

The Pandemic Recovery Office (PRO) is responsible for all eligibility and programmatic requirements for SFRF projects. This includes narrative descriptions, expenditure category justifications, beneficiary determinations, and all other budget and performance information required by the U.S. Department of the Treasury and in compliance with the State and Local Fiscal Recovery Fund final rule. PRO collects this information through the Reporting and Compliance Form, distributed to the designated state agency upon the appropriation of an SFRF project.

- i. **Quarterly Project and Expenditure Report:** PRO will collaborate with GMO to integrate the eligibility and programmatic requirements into the workbook referenced above for the quarterly Project and Expenditure Report to UST. Designated agencies will verify the information is correct before uploading to Render.
- ii. **Financial Reporting:** PRO will collect and monitor financial data from all tier levels to the beneficiary level. PRO will maintain the state transparency portal for beneficiary level financial information on pandemicrecovery.ri.gov and is responsible for all financial reporting updates to the Governor's Office and General Assembly.
- iii. **Key Performance Indicators:** PRO is solely responsible for the reporting of key performance indicators (KPI) for both the annual plan and quarterly reports. PRO will collect and monitor KPI data from designated agencies at all tier levels.
- iv. **Subrecipients:** PRO will provide designated agencies with a subaward template, risk assessment tools, and additional guidance as needed, but is not responsible for subrecipient monitoring on individual projects.
- v. **Annual Recovery Plan Performance Report:** PRO will complete the annual Recovery Plan Performance Report, as required by U.S. Treasury.



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Signatures

Director, Pandemic Recovery Office

Date

State Controller

Date