

Subrecipients and Federal Uniform Guidance Requirements

1. What is the guidance on how Localities and DMO's are allowed to handle ARPA Tourism Recovery funding to ensure compliance with the federal Uniform Guidance?
 - Because the fund is drawn on ARPA funds, fund recipients must comply with the federal Uniform Guidance (2CFR200)
 - In order to comply with the 2CFR200, recipients need to understand what type of entity they are. Based on the most current Treasury guidance, localities (counties and cities) are considered sub-recipients within the meaning of that term in the 2CFR200. Furthermore, DMO's who receive funds from their affiliated locality are also considered sub-recipients.
 - Because they are considered sub-recipients, DMO's have several important obligations under the Uniform Guidance, which, without limitation, include the following:
 - a. Documentation and reporting requirements – Uniform Guidance contains important documentation and reporting obligations for sub-recipients, but compliance with the ARPA Tourism Recovery program rules and documentation requirements should be sufficient to satisfy the Uniform Guidance documentation and reporting requirements.
 - b. Procurement requirements – further guidance is provided below.
 - c. Audit requirements – further guidance is provided below.
 - In particular, VTC is handling the federal ARPA reporting requirements for all the localities and DMO's.
 - It is recommended that DMO's enter into a sub-recipient agreement with their applicable city and/or county if they are receiving tourism ARPA funds. VTC may request a copy of that agreement from the applicable locality or DMO as part of the document review process.
2. What are the Procurement Requirements?
 - Procurement Requirements – Sub-recipients are required to follow a procurement process that is as stringent if not more stringent than the federal procurement requirements contained in the Uniform Guidance. In some cases, that may require purchases of eligible goods and services to be procured through a competitive bidding process, depending on the circumstances.
3. Does the Virginia Public Procurement Act (VPPA) satisfy procurement requirements?

- Yes, the Virginia Public Procurement Act (VPPA) satisfies procurement requirements, as long as they are not less stringent than federal requirements.
4. How will I know if I need to complete a competitive procurement process?
 - Micro-purchases under \$10,000 do not require formal bids. Between \$10,000 and \$250,000 will require 3 quotes and documentation about why that vendor was selected. For larger amounts, a formal procurement process is required, using either sealed bids or proposals. Please see § 2 CFR 200.320 for more information about methods of procurement.
 5. What if a contract for goods or services has already been entered into?
 - If a contract has already been entered into, you may need to go back and engage in a procurement process. Unless the purchase qualifies for noncompetitive procurement (see below), you will need to halt any further work or delivery under that contract and engage in a procurement process. That will require soliciting bids from that vendor and others. You have the option to select your previously selected vendor, but you must document why you chose them after seeking and considering all bids. Vendor selection should be consistent with the requirements outlined in the Uniform Guidance.
 6. What qualifies as a single source?
 - Single source goods or services are those that are only provided by one vendor. For example, there is only one New York Times, so if placing an ad in the New York Times is determined to be the preferred marketing strategy, purchasing that advertisement does not require a competitive process. You must still show that you completed research to determine that the vendor was a single source vendor (in other words, in the case of an advertisement, that it was uniquely positioned to reach the desired market – the target viewers, listeners, etc.).
 7. Can we use a vendor with a contract that was created prior who is on retainer, or who is an approved vendor?
 - No, existing retainer contracts are not allowed to be utilized under the Uniform Guidance (despite the fact that they may be more efficient in some cases, due to the history with the vendor).. You must enter into a competitive procurement process to select a vendor. You may select your legacy vendor, but a separate contract is required, and you must document why you selected that vendor and that you completed the procurement process.
 8. Where should the procurement documentation be submitted?
 - You may submit proof of the procurement process with expense requests in the VTC ARPA Tourism Recovery Program Portal. You will need to submit documentation of the procurement process being completed with the expenses they relate to.

9. What do I do if I've already purchased and received items that were not obtained through a procurement process?
 - If a vendor has already provided items or services with or without a contract, halt the contract or work, complete the procurement process, and if using the same vendor, you may credit the previous contract and debit the new contract. If the procurement process results in selection of a new vendor, goods will have to be returned to the prior vendor and purchased through the new vendor, and funds will need to be repaid by the previous vendor and paid to the new vendor.

10. Can vendor contracts be backdated?
 - Yes, vendor contracts can be backdated, but you must document why they were backdated.

Subrecipient Agreements:

1. What type of subrecipient monitoring is required?
 - a. The only subrecipient monitoring that is required is to provide documentation of activities being completed and funds being expensed per the VTC ARPA Tourism Recovery Program Guidelines. Completing required documentation by HORNE and VTC satisfies this requirement.

2. Who needs a subrecipient agreement?
 - a. If a locality is sharing funding with a DMO and the DMO is conducting work on behalf of the locality, a subrecipient agreement is required. This agreement must state the DMO will comply by the terms of the VTC ARPA Tourism Recovery Program and adhere to all federal, state and local guidelines for the program.

Other:

1. What are the regulations for completing a single audit?
 - a. § 2 CFR 200.501 Audit requirements states that a non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year.

2. Are templates or examples of subrecipient agreements available?
 - a. There will be examples of subrecipient agreements on the VTC ARPA website shortly. These are examples provided for convenience only and may not fit all circumstances. By providing the examples, neither VTC nor HORNE is providing any legal advice to parties. Parties who utilize any of the example language do so

at their own risk and should seek separate legal advice to ensure their subrecipient agreements are appropriate for their own particular circumstances.

3. When did the subrecipient and procurement guidance change?
 - a. The US Treasury issued a final rule in February 2022 and provided additional clarity on the final rule (including subrecipients and the applicability of the Uniform Guidance) in a Frequently Asked Questions document it released on April 27, 2022. The Treasury FAQ document is found here: <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf>
4. Given the April 27, 2022, new Treasury guidance, will there be any extensions to the use of VTC ARPA Tourism Recovery funds?
 - a. No, there will be no changes to the deadlines for spending plan submissions or use of the funds. The deadline for the period of performance for the VTC ARPA Tourism Recovery Program is June 30, 2024. All funds must be expended and reimbursed by that date.