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American Rescue Plan: Treasury Coronavirus State and Local Fiscal Recovery Fund

Authors: Wendy Huff Ellard

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All eyes are on the U.S. Department of the Treasury as we quickly approach the deadline for distribution of the first tranche of the \$350 billion provided under the American Rescue Plan Act for what has been dubbed the State and Local Fiscal Recovery Fund.

The American Rescue Plan Act of 2021 (Pub. L. No. 117-2) (ARP), signed into law on March 11, 2021, provides \$350 billion in emergency funding for state, local, territorial, and Tribal governments to respond to the COVID-19 public health emergency. With respect to the timing of Treasury's distribution of the first round of payments, which will be roughly half of the eligible entities' allocations, the ARP requires that "to the extent practicable ... the Secretary shall pay from such allocation the First Tranche Amount for such city, State, or county not later than 60 days after the date of enactment of this section." Based on this, guidance is expected from Treasury early next week.

Pursuant to the ARP, the allocations must be used:

- To respond to the COVID-19 pandemic or its negative economic impacts, including by providing assistance to households, small businesses, and nonprofits, or aid to impacted industries, such as tourism, travel, and hospitality;
- To provide premium pay to eligible workers of the state, territorial or Tribal government performing essential work or by providing grants to eligible employers that have eligible workers who perform eligible work;
- For the provision of government services, to the extent COVID-19 caused a reduction of revenues collected in the most recent full fiscal year of the state, territorial, or Tribal government; or
- To make necessary investments in water, sewer, or broadband infrastructure.

To date, Treasury has only issued what it is referring to as "**Pre-Award Requirements.**" Prior to the formal launch of the Coronavirus State and Local Fiscal Recovery Funds Program, those entities that are eligible to receive a direct payment of funds from Treasury under the program should prepare certain information in advance as outlined below. By undertaking these preparatory steps, Treasury advises that these eligible entities will be better positioned to receive payments in a more timely manner after the program is launched. Direct payment from Treasury will be made to:

- States (defined to include the District of Columbia)
- Territories
- Tribal governments
- Counties
- Metropolitan cities

All federal financial assistance recipients must have a Data Universal Numbering System (DUNS) number and an active registration with the System for Award Management (SAM) database at SAM.gov. As a result, all eligible entities receiving direct payment from Treasury under the State and Local Fiscal Recovery Funds Program will need a DUNS number and an active SAM registration to receive payment. The DUNS and SAM registration process may take several business days to complete. Therefore, Treasury recommends that eligible entities begin those registration processes if they have not already completed them.

Treasury directs all eligible governments to take the below steps as soon as possible:

- **Ensure the entity has a valid DUNS number.** A DUNS number is a unique nine-character number used to identify an organization and is issued by Dun & Bradstreet. The federal government uses the DUNS number to track how federal money is allocated. A DUNS number is required prior to registering with the SAM database, which is outlined below. Registering for a DUNS number is free of charge. If an entity does not have a valid DUNS number, it can visit call 1-866-705-5711 to begin the registration process.
- **Ensure the entity has an active SAM registration.** SAM is the official government-wide database to register with in order to do business with the U.S. government. All federal financial assistance recipients must register on SAM.gov and renew their SAM registration annually to maintain an active status to be eligible to receive federal financial assistance. There is no charge to register or maintain your entity's SAM registration. If an entity does not have an active SAM registration, it can visit [SAM.gov](https://sam.gov) to begin the entity registration or renewal process. Please note that SAM registration can take up to three weeks; delay in registering in SAM could impact timely payment of funds. [Click here for a quick overview for SAM registration.](#)
- **Gather the entity's payment information, including:**
 - Entity Identification Number (EIN), name, and contact information
 - Name and title of an authorized representative of the entity
 - Financial institution information (e.g., routing and account number, financial institution name and contact information)

Contact [Wendy Huff Ellard](#) or any member of [Baker Donelson's Disaster Recovery and Government Services Team](#) with additional questions.