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FAQs: Navigating the ARPA SLFRF Obligation Deadline

As the December 31, 2024, obligation deadline for ARPA's State and Local Fiscal Recovery Funds (SLFRF) approaches, many local governments have questions about what constitutes an obligation, how to use funds effectively and how to stay compliant. Below, we provide guidance on some of the most frequently asked questions (FAQs) highlighted during a recent Treasury webinar co-hosted by the National League of Cities (NLC) and National Association of Counties (NACo).

You can find a recording for the webinar [here](#) and the slideshow presented [here](#).

1. What is the obligation deadline, and what does it mean for local governments?

The obligation deadline is December 31, 2024. By this date, all SLFRF funds must be obligated, meaning committed through contracts, subawards, interagency agreements, or similar transactions.

Local governments will report its obligations during the next reporting period:

January 31, 2025 - Quarterly reporters.

April 30, 2025 - Annual reporters.

Funds must be spent by **December 31, 2026**.

2. What qualifies as an obligation?

An obligation is:

- A contract, subaward, purchase orders for goods or services, or interagency agreement (e.g., MOU, MOA). You can find a template for an interagency agreement [here](#).
- Certain payroll expenses for eligible employees if the positions are established by December 31, 2024.

An obligation is **NOT**:

- A budget allocation or amendment.
- An intention to enter a contract.
- Moving funds into a general fund but not further establishing an obligation with those funds by 12/31/24.

[Continue reading.](#)

National League of Cities

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December 6, 2024

