

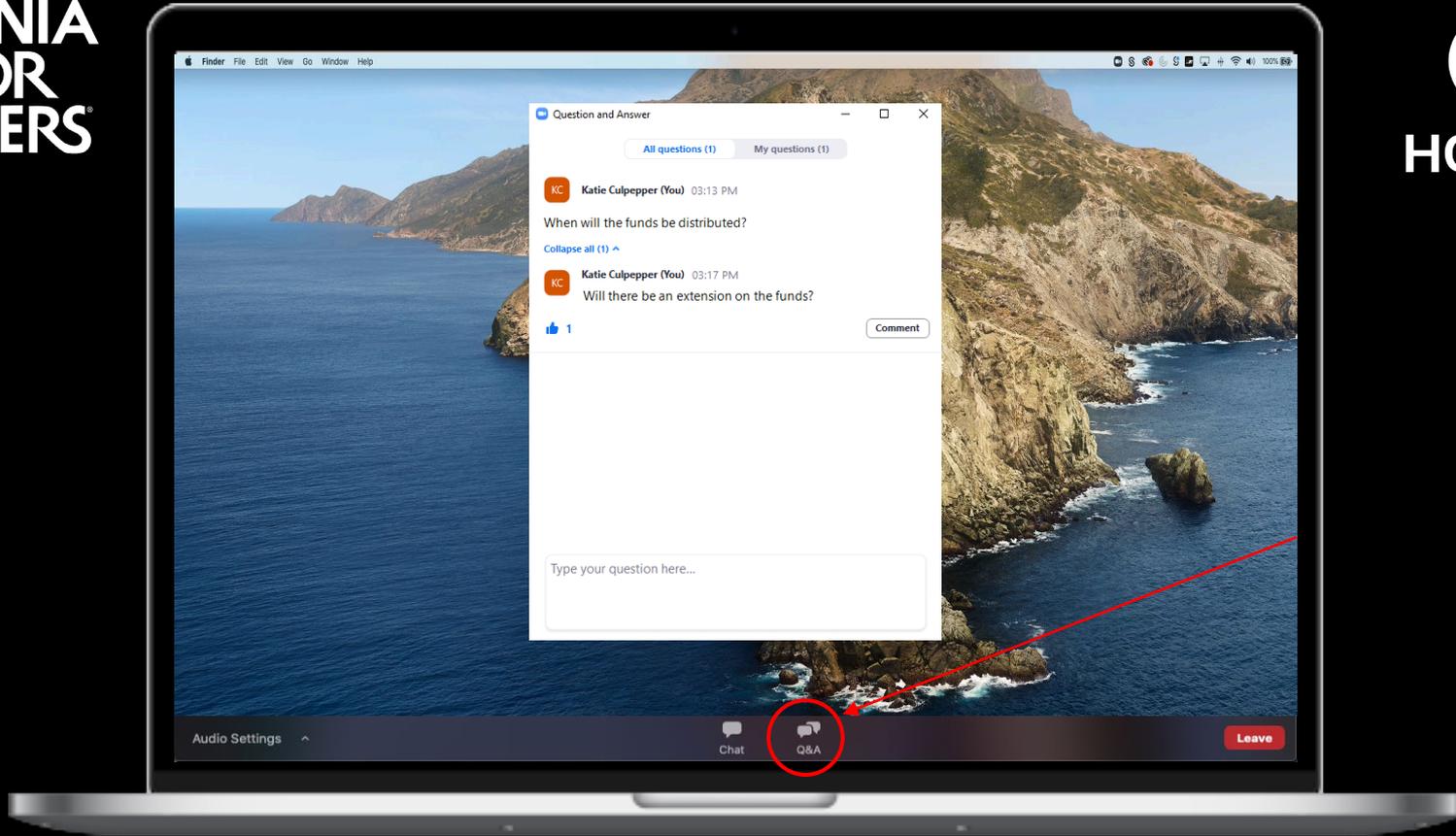


**ARPA Tourism Recovery Program**  
**Update on Federal Requirements**  
**(especially for DMOs)**

May 18, 2022

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IS FOR  
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HORNE



ARPA Tourism Recovery Program



**Chip Hutzler, JD, MBA, CVA**

*HORNE LLP*

*Director, Government Services*



**Kim Fernandes**

*HORNE LLP*

*Funding Manager, Government Services*



**Jason Alexander**

*Virginia Tourism Corporation*

*Senior Budget & Finance Analyst*

# Agenda for Today



- **Introductions**
- **Review General Program Information**
- **Uniform Guidance General Rules**
- **Procurement Requirements**
- **Q&A**

# ARPA Tourism Recovery Program

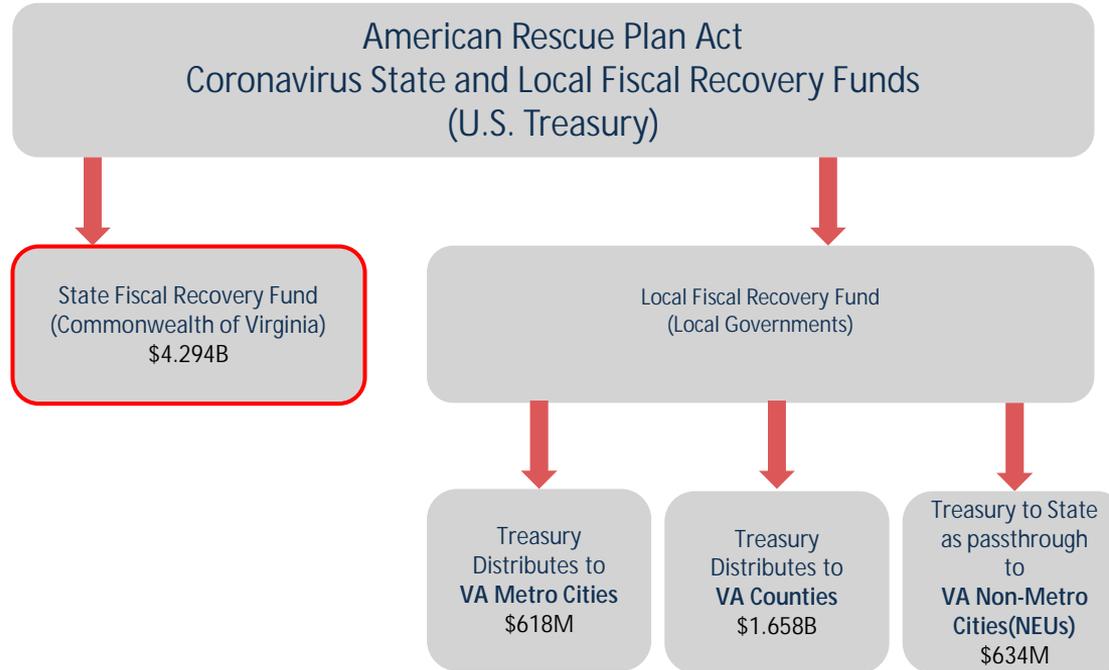
## *Review General Program Information*



# ARPA: Overview

- President Biden signed into law on March 11, 2021.
- **Largest economic rescue plan in U.S. history.**
- **\$1.9 trillion** in federal recovery funds for “COVID-related” relief.
- Strong focus on the negative **economic**, not just **public health**, impacts of the pandemic.
- Emphasis on **equality** for socially disadvantaged populations.

# State & Local Fiscal Recovery Fund Overview



# Tourism

## Goal of the Program

- **Program Goals:**
  - Once in a lifetime funding opportunity to make real change/impact on the tourism/travel/hospitality industry in the State of Virginia
  - To support efforts to create NEW Products and/or Activities that TOUCH THE VISITOR
  - To have a Direct IMPACT on the tourism/travel/hospitality bottom line by generating visitor spending and revenue derived from visitors.

# ARPA Tourism Recovery Program

## Overview:

Key aspects of program:

- Virginia legislature allocated funding to VTC to provide to all 133 counties and independent cities in Virginia
- Purpose is to increase visitor engagement and thereby assist with the recovery of Virginia's tourism industry
- Funds will require submission and approval of a spending plan by each locality. Localities are encouraged to work with associated DMOs to use the funds.
- Funds will be disbursed 50% upon approval of a spending plan (starting in January 2022), and 50% on a reimbursement basis, once advanced funds are exhausted and documented.

# ARPA Tourism Recovery Program

## Overview:

Key aspects of program (continued):

- Funds must be obligated by December 31, 2023, and the period of performance extends to June 30, 2024.
- What can the funds be used for:
  - ARPA Eligibility test turns on showing that the expense addresses or responds to the economic harm caused by the COVID-19 pandemic.
  - Ultimately will be a facts and circumstances test for certain types of expenses
  - A non-exhaustive list of **eligible** and **ineligible** items was discussed in the announcement webinar held on October 14, 2021 (link to recording of that webinar and slides are available on the VTC ARPA landing page)

# ARPA Tourism Recovery Program

## Overview:

Key aspects of program (continued):

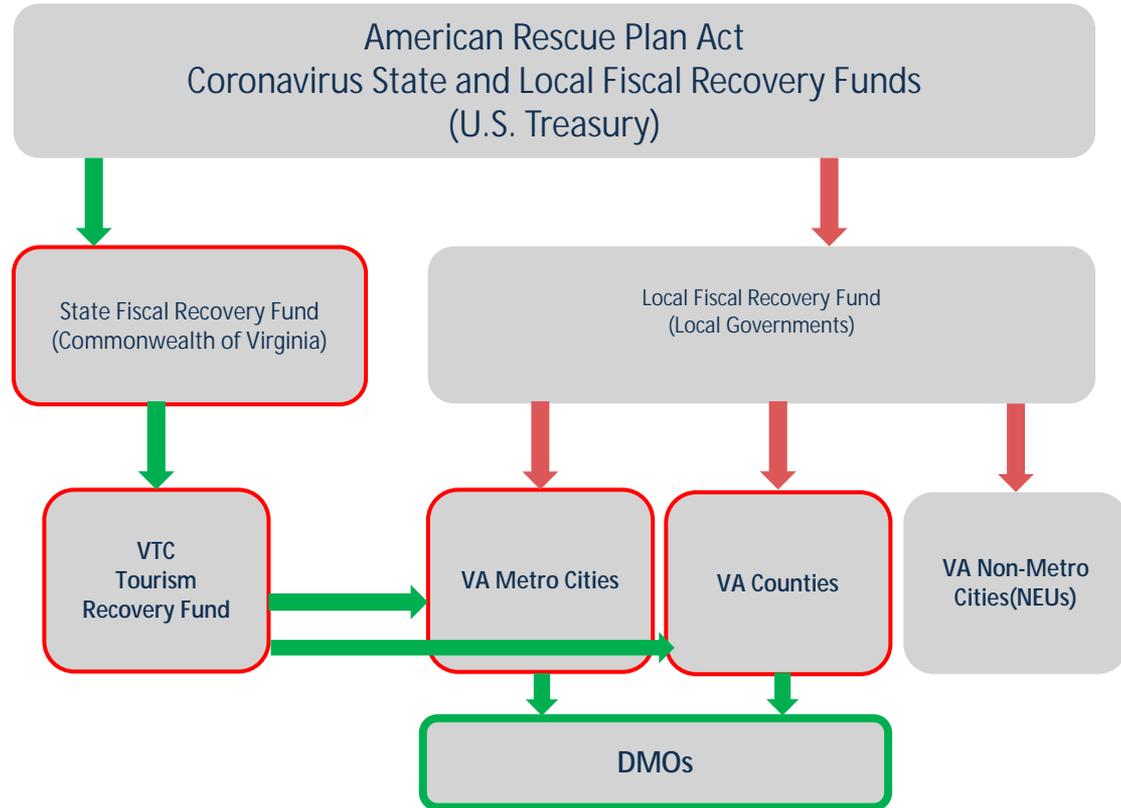
- Localities will receive the funds – counties and cities
  - DMOs are not getting funds directly
  - Localities must work with the DMOs in their area to develop their spending plans and achieve the program objectives of increasing visitor engagement in their local areas.
  - This require some collaboration among localities and associated DMOs up front to ensure everyone is in alignment when submitting spending plans
- Allocation methodology based on relative share of each locality to total state tax revenue attributable to tourism in 2019

# ARPA Tourism Recovery Program

## Key Deadlines:

Date	Milestone/Deadline
October 29, 2021	Portal Open (training webinar required for access)
December 31, 2021	Deadline for Plan Submission in order to receive Advanced Funds in January 2022 (subject to plan approval)
January 2022	First funds advanced to localities (subject to approval of plans submitted on or before Dec 31, 2021)
December 31, 2022	Final deadline for Spending Plan submission
December 31, 2023	Final deadline to obligate funds
June 30, 2024	Final deadline for period of performance – must complete expenditures and receive all goods and services
July 31, 2024	Final deadline to submit expense documentation
December 31, 2024	Federal Deadline for Virginia to complete funding

# ARPA Tourism Recovery Program Funds Flow



# ARPA Tourism Recovery Program Uniform Guidance General Rules



# Uniform Guidance – 2 CFR §200

## General Requirements:

- ***DMO's are considered subrecipients under the Uniform Guidance.***
  - Treasury recently clarified in FAQ's released April 27, 2022
- What does that mean DMOs need to do to comply?
  - **Subrecipient agreement required with Locality**
  - **Procurement requirements for vendor contracts**
  - Documentation and retention requirements for expenses
  - Oversight Requirements
  - Reporting Requirements
  - Audit Requirements.

# Uniform Guidance – 2 CFR §200

## Audit Requirements:

- ***DMO's are considered subrecipients under the Uniform Guidance.***
  - Treasury recently clarified in FAQ's released April 27, 2022
- Audit Threshold - \$750,000 expended in Federal Funding (aggregate in FY)
  - If below threshold, no audit required, but still subject to federal audit
- If audit required, what type:
  - All funds come from single funding source – Program Specific Audit
  - Funds come from multiple funding sources – Single Audit required
- If audit required
  - Can use ARPA funds to pay for audit costs – exception to admin cost rule
  - BUT, may need to modify spending plan to account for the audit costs

# ARPA Tourism Recovery Program

Uniform Guidance

Procurement Requirements



# Uniform Guidance – 2 CFR §200.318

## General Procurement Requirements:

- a) Documented procurement procedures
- b) Oversight of contractors
- c) Avoidance of conflicts of interest
- d) Avoidance of unnecessary or duplicative items
  - i. Consideration of measure “to obtain more economical purchase”
- e) Vendors must be responsible and possess the ability to perform successfully.
- f) Documentation of history of the procurement, including: rationale for method of procurement, contractor selection, basis for the contract price.
- g) Time and Materials contracts must have a ceiling price (i.e., a cap)
- h) Subrecipient responsible for procurement – evaluations, awards, disputes & claims, and any required audits (single audit requirement)

# Uniform Guidance – 2 CFR §200.319

## Competition:

- a) Generally, full and open competition is required
  - i. Competitors cannot develop or draft requirements or invitations
  - ii. No unreasonable requirements, qualification, experience or excessive bonding
  - iii. No noncompetitive pricing practices between firms
  - iv. **Noncompetitive contracts to consultants on retainer contracts**
  - v. Specifying only brand name contracts
  - vi. No geographic restrictions (although state licensing requirements are not preempted)
  - vii. Efforts to include small and minority businesses, women's business enterprise and labor surplus area firms when possible (2 CFR §200.321)
- b) Written procurement procedures
- c) Preference for domestic purchases where appropriate (2 CFR §200.322)
- d) Noncompetitive procurements only allowed in specific cases (2 CFR §200.320(c))
- e) Cost and Price requirements (2 CFR §200.324)

# Uniform Guidance – 2 CFR §200.320

## Methods of Procurement:

- a) Informal
  - i. Micro-purchases – under \$10,000
  - ii. Small Purchases – 3 quotes – under \$250,000
- b) Formal
  - i. Sealed Bids
  - ii. Proposals
- c) Noncompetitive procurement
  - i. Aggregate dollar amount of which does not exceed the micro-purchase threshold;
  - ii. Item is available only from a single source;
  - iii. Public exigency or emergency will not permit a delay resulting from competitive solicitation;
  - iv. Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity; or
  - v. After solicitation of a number of sources, competition is determined inadequate.

# Uniform Guidance – 2 CFR §200.327 & Appendix II

## Contract Provisions:

- a) General Terms – Appendix II – key items (non-exhaustive list):
  - i. Termination for cause or convenience
  - ii. Breach provisions
  - iii. Anti-lobbying provisions
  
- b) Time and Materials contract
  - i. Cap required (2 CFR §200.318(j)(2))

# ARPA Tourism Recovery Program:

## Questions

[support@vatourismarpa.com](mailto:support@vatourismarpa.com)



**Chip Hutzler, JD, MBA, CVA**  
*HORNE, Government Services  
Director*



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*HORNE, Government Services  
Funding Manager*



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*Virginia Tourism Corporation  
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