

## Capital Expenditure Reporting Guidance

### Resources:

- [SLFRF Capital Expenditure Projects](#)
- [SLFRF Expenditures for Equipment, IT and Other Assets](#)
- [SLFRF Final Rule Overview](#) (page 30)
- [SLFRF Compliance and Reporting Guidance](#) (page 30)
- [SLFRF Reporting User Guide](#) (draft until 1/1/2024 - must up to date guide is on the ARPA website)
- [Fiscal Rules](#)

### Reporting Requirements:

SLFRF standards include reporting requirements for both capital expenditure projects and capital expenditures. These requirements are outlined in SLFRF reporting requirements and should align with 2 CFR 200 requirements as well.

First, projects with an Expenditure Category EC1:Public Health, EC2:Negative Economic Impact, EC3: Public Health-Negative Economic Impact: Public Sector Capacity, and EC5: Infrastructure have the following reporting requirements within the Treasury Portal:

1. Does this project include a capital expenditure?
  - a. If Yes:
    - i. What is the total expected cost of the capital expenditure, including predevelopment costs, if applicable?
    - ii. Type of capital expenditure, based on the enumerated uses listed in this document below.
  - b. If No:
    - i. A zero will be included in the reporting

Second, if a project is expected to have total capital expenditures for an enumerated eligible use of \$10 million or more, as well as projects with total expected capital expenditures for an “other” use of \$1 million or more, a written justification is required. This is captured as a part of the Eligibility Document (ED) process. Once a project exceeds the noted thresholds, a review of the project ED will be performed to ensure the information is included to report with the Treasury Portal as required.

Lastly, projects with total expected cost of the capital expenditures of over \$10 million, will also require labor reporting as outlined below:

1. Davis-Bacon Act Certification
  - a. Do you intend to certify that “all laborers and mechanics employed by contractors and subcontractors in the performance of the project are paid wages at rates not less than those prevailing, as determined by the US Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the “Davis-Bacon Act”), for the corresponding classes of laborers and mechanics employed

on projects of a character similar to the contract work in the civil subdivision of the State in which the work is to be performed, or by the appropriate state entity pursuant to a corollary state prevailing-wage-in-construction law (commonly known as “baby Davis-Bacon Acts”)? Select “Yes” or “No”. Please note, selecting “Yes” means that you intend to certify that all contractors and subcontractors are paying prevailing wages and fringe benefits to all laborers and mechanics on the project.

- b. If response is “No” the following information will be required:
  - i. The number of employees or contractors and subcontractors working on the project;
  - ii. The number of employees on the project hired directly;
  - iii. The number of employees on the project hired through a third party;
  - iv. The wages and benefits of workers on the project by classification; and
  - v. Whether those wages are at a rate less than those prevailing.

2. Certification of Labor Agreements

- a. Do you intend to certify that “the indicated project includes a project labor agreement, meaning a pre-hire collective bargaining agreement consistent with section 89(f) of the National Labor Relations Act (29 U.S.C 158(f))”? Select “Yes” or “No”. Please note, selecting “Yes” means that you intend to or are using an 8(f) pre-hire agreement on your project.

- b. If response is “No” the following information will be required:
  - i. How will the recipient ensure the project has ready access to a sufficient supply of appropriately skilled and unskilled labor to ensure high-quality construction throughout the life of the project, including a description of any required professional certifications and/or in-house training?;
  - ii. How the recipient will minimize risks of labor disputes and disruptions that would jeopardize timeliness and cost-effectiveness of the project;;
  - iii. How the recipient will provide a safe and healthy workplace that avoids delays and costs associated with workplace illnesses, injuries, and fatalities, including descriptions of safety training, certification, and/or licensure requirements for all relevant workers (e.g., OSHA 10, OSHA 30);
  - iv. Whether workers on the project will receive wages and benefits that will secure an appropriately skilled workforce in the context of the local or regional labor market?; and
  - v. Whether the project has completed a project labor agreement..

3. Note whether the project prioritizes local hires.

4. Note whether the project has a Community Benefit Agreement, with a description of any such agreement.

**Reporting Process:**

To accomplish this requirement we have made updates to the Gravity Financial Reporting Templates to allow this information to be captured. Below is the information related to what to expect this quarter from a reporting perspective:

1. Capital expenditures should include amounts spent by a state agency or subrecipient by subaward number.
  - a. If the state agency is using SLFRF funds directly to make purchases that result in a capital expenditure, the amounts reported should be able to be confirmed by object code in infoAdvantage or by the presence of a fixed asset. Agencies may also have other means for which they are tracking this information.
  - b. If the subrecipient is using SLFRF funds to make purchases that result in a capital expenditure, the amounts reported should be able to be confirmed by the amounts reported quarterly in the *SLFRF Subrecipient Quarterly Report Workbook with Program Income* form or from other reporting obtained from the subrecipient.
2. Gravity Financial Reporting Templates have been updated to include a new column titled Capital Expenditures Amount (column AG).
  - a. This field will contain a capital expenditure amount by subaward. If the subaward does not have capital expenditures, enter 0 (zero).
  - b. If reporting capital expenditures purchased by a state agency, the entity type (column AF) in the Financial Reporting Template should be “contractor”.
  - c. If reporting capital expenditures purchased by a subrecipient, the entity type (column AF) in the Financial Reporting Template should be “subrecipient”.
3. Catch up entries may be required to report capital expenditures from prior quarters or for previously closed projects. These catch up entries will be captured in the Gravity Financial Reporting Template as follows:
  - a. As soon as a catch up entry is identified, reporting should be completed by subaward.
  - b. If there is not any current quarter obligation or expenditure amounts, a line with the subaward information should be entered with \$0.00 in the obligation and expenditure amount columns, with the total capital expenditures to date being included in the Capital Expenditure Amount (column AG) column.
4. Closeout - as a part of the project closeout certification process, agencies will be asked to provide the capital expenditure amounts for the agency and any subrecipients. These certified amounts must align with the amounts reporting in the Gravity Financial Reporting Template.

**Type of capital expenditure, enumerated uses:**

- Acquisition of equipment for COVID-19 prevention and treatment, including ventilators, ambulances, and other medical or emergency services equipment
- Adaptations to congregate living facilities, including skilled nursing facilities, other long term care facilities, incarceration settings, homeless shelters, residential foster care facilities, residential behavioral health treatment, and other group living facilities, as well as public facilities and schools (excluding construction of new facilities for the purpose of mitigating spread of COVID-19 in the facility)
- Affordable housing, supportive housing, or recovery housing development
- Behavioral health facilities and equipment (e.g., inpatient or outpatient mental health or substance use treatment facilities, crisis centers, diversion centers)
- Childcare, daycare, and early learning facilities
- COVID-19 testing sites and laboratories, and acquisition of related equipment

- COVID-19 vaccination sites ▪ Devices and equipment that assist households in accessing the internet (e.g., tablets, computers, or routers)
- Emergency operations centers and acquisition of emergency response equipment (e.g., emergency response radio systems)
- Food banks and other facilities primarily dedicated to addressing food insecurity
- Improvements to existing facilities to remediate lead contaminants (e.g., removal of lead paint)
- Installation and improvement of ventilation systems in congregate settings, health facilities, or other public facilities
- Job and workforce training centers
- Medical equipment and facilities designed to address disparities in public health outcomes (includes primary care clinics, hospitals, or integrations of health services into other settings)
- Medical facilities generally dedicated to COVID-19 treatment and mitigation (e.g., emergency rooms, intensive care units, telemedicine capabilities for COVID-19 related treatment)
- Mitigation measures in small businesses, nonprofits, and impacted industries (e.g., developing outdoor spaces)
- Parks, green spaces, recreational facilities, sidewalks, pedestrian safety features like crosswalks, streetlights, neighborhood cleanup, and other projects to revitalize public spaces
- Public health data systems, including technology infrastructure
- Rehabilitations, renovation, remediation, cleanup, or conversions of vacant or abandoned properties
- Schools and other educational facilities or equipment to address educational disparities
- Technology and equipment to allow law enforcement to efficiently and effectively respond to the rise in gun violence resulting from the pandemic
- Technology and tools to effectively develop, execute, and evaluate government programs
- Technology infrastructure to adapt government operations to the pandemic (e.g., video conferencing software, improvements to case management systems or data sharing resources), reduce government backlogs, or meet increased maintenance needs
- Temporary medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs
- Transitional shelters (e.g., temporary residences for people experiencing homelessness)
- Other (please specify)