



Capital Markets News

--- SPECIAL BULLETIN ---

Special Edition

December 17, 2024

December 31, 2024 - ARPA Obligation Deadline

Claiming Revenue Loss Alone Does Not Obligate Funds

As you all know, the deadline to officially obligate ARPA funds is December 31, 2024. *If that obligation deadline is not met by a local government, unobligated funds must be returned to the U.S. Treasury.* The December 31, 2024 deadline is not just a guideline, it is a Federal requirement.

Jurisdictions may satisfy the obligation requirement with purchase orders, contracts, or similar transactions requiring payment. To the extent a purchase order, contract or similar transaction is not possible prior to year end, Treasury has clarified that interagency agreements (or Memorandum of Understanding ("MOU") between departments within a recipient's government may be utilized to satisfy the obligation requirement. Interagency agreements present a unique opportunity to quickly obligate funds prior to year end assuming the agreement meets Treasury guidelines. Again, funds not obligated by December 31, 2024 are required to be returned to the US Treasury.

Please keep in mind, claiming funds under the revenue loss category alone does not obligate the funds. Revenue loss dollars are also required to be obligated prior to the December 31, 2024 deadline.

If you have questions regarding your ARPA obligations, please call your Municipal Advisor at CMA.