



Grants Management Office

This document is intended to function as a summary for convenience. It is not intended to replace or supplant terms of a Grant Agreement, federal guidance, rules, regulations, or state law. While the Grants Management Office (GMO) can provide guidance, those receiving SLFRF funds should seek final direction from their respective legal counsel and/or executive leadership on the compliant uses of the federal funds they are tasked to oversee.

Topic: THE RESTRICTED USE OF ARPA-SLFRF FUNDS IN REGARD TO SETTLEMENTS AND JUDGMENTS

Guidance:

The U.S. Treasury's 2022 Final Rule provides certain limitations on how the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund (ARPA-SLFRF) funds can be used. While recipients have considerable flexibility to use ARPA-SLFRF funds to address the diverse needs of their communities, some restrictions apply across all eligible use categories. The OMES-Grants Management Office (GMO) has received a request to provide guidance on the restricted use of ARPA-SLFRF Funds in regard to settlements and judgments.

The [2022 Final Rule](#), on pages 4430-4431, specifically provides that the, "...satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring in a judicial, administrative, or regulatory proceeding would not be an eligible use of funds to respond to the public health and negative economic impacts of the pandemic or as a government service provided under the revenue loss eligible use category."

However, an exception, if applicable, may allow for the use of funds when a settlement or judgment **requires** the recipient to provide services that are otherwise eligible under an ARPA-SLFRF eligible use category, **specifically** those services that would respond to the COVID-19 public health emergency or its negative economic impacts or to provide government services. In other words, the satisfaction of a judgment or settlement itself is not an eligible use of SLFRF funds, but if the settlement or judgment requires the recipient to provide services or incur costs that are otherwise an eligible use of SLFRF funds, it is an eligible use of SLFRF funds.

Additional Resources:

<https://oklahoma.gov/arpa/subrecipient-support/subrecipient-guidance.html>

<https://oklahoma.gov/arpa.html>

[The 2022 Final Rule](#)

[The 2022 Final Rule Overview](#)

Revision History:

This guidance may be periodically reviewed and revised.

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