

Frequently Asked Questions (FAQ) for Nonprofits
Seeking American Rescue Plan Act (ARPA) Funding

AS OF OCTOBER 18, 2021

This document contains answers to frequently asked questions regarding the City of Baltimore's American Rescue Plan Act (ARPA) funding as it pertains to nonprofits. The Mayor's Office of Recovery Programs (Recovery Office) will update this document periodically in response to questions received from stakeholders.

For overall information about the program, including how to request funding, please visit arp.baltimorecity.gov or email arp@baltimorecity.gov.

To access the nonprofit ARPA application information session provided by the Recovery Office on September 28, 2021, please visit: <https://arp.baltimorecity.gov/reports-and-resources>

1. Organization Eligibility

1.1. What kind of nonprofit organizations can submit applications?

Organizations designated as 501(c)(3) nonprofits can submit proposals for ARPA funding.

1.2. Can 501(c)(3) nonprofit organizations act as fiscal sponsors for organizations that do not yet have 501(c)(3) status?

Yes, an organization that does not yet have 501(c)(3) status can apply if they have a fiscal sponsor who is a designated 501(c)(3) nonprofit.

1.3. How long must a nonprofit organization have been established in order to apply for ARPA funding?

A nonprofit must have been established for at least one year prior to the onset of the COVID-19 public health emergency in order to apply for ARPA funding. Therefore, nonprofits should have been in operation as of March 2019.

1.4. Does a nonprofit organization have to have an operating office within Baltimore City to apply?

Yes, a nonprofit must have an operating office within Baltimore City to apply. A nonprofit does not have to be headquartered in Baltimore to apply. More importantly, the proposed project must serve Baltimore City residents.

2. Project Eligibility

2.1. What kind of projects and programs are eligible for ARPA funds?

Projects applicable to nonprofit organizations fall into the following categories of eligible uses:

- Support Public Health Response
- Address Negative Economic Impacts
- Water and Sewer Infrastructure
- Broadband Infrastructure

The United States Department of Treasury's [interim final rule](#) provides more detail regarding what projects and programs are eligible for ARPA funding.

2.2. How can a nonprofit organization assure that a project is eligible for funding?

Projects that will be considered eligible for funding must:

- Identify a negative impact of the COVID-19 public health emergency, and
- Identify how the project accurately documents and responds to the scale of the impact of the COVID-19 public health emergency.

2.3. What if a project is not related to the COVID-19 public health emergency?

Projects unrelated or not linked to the COVID-19 public health emergency in any way will not meet ARPA eligibility requirements and cannot be funded. Projects that do not accurately respond to the scale of impact of the COVID-19 public health emergency in their response will also be deemed ineligible.

2.4. What kind of proposals should a nonprofit organization submit for ARPA funding?

In addition to assuring a project proposal is eligible, the nonprofit should propose programs or initiatives that fall within the organization's core mission. Nonprofits are encouraged to seek funding for projects for which they have experience administering or subject matter expertise.

2.5. What kind of projects are being prioritized in Baltimore for ARPA funding?

In addition to allowable uses per the Treasury guidance, Mayor Scott has established five pillars that govern the focus of his priorities for the City. It is the City's expectation that nonprofit organizations will put forth eligible projects that advance one or more of the following pillars and improve quality of life for Baltimore City residents:

- Prioritizing Our Youth
- Building Public Safety
- Equitable Neighborhood Development
- Clean and Healthy Communities
- Responsible Stewardship of City Resources

2.6. How do you determine if a project is directly or indirectly related to the COVID-19 public health emergency?

Projects can remedy the COVID-19 public health emergency or its negative economic impacts directly or indirectly.

Direct projects respond to effects that can be solely attributed to the COVID-19 public health emergency. Examples of direct projects include mobilizing a large-scale vaccination effort or building improvements for social distancing. The COVID-19 public health emergency is the only cause for direct projects. Indirect projects can also address the effects of the COVID-19 public health emergency or its negative economic impacts.

Indirect projects are linked to the COVID-19 public health emergency via direct effects. For example, an organization proposing a tutoring program would be an indirect project—the direct effect of the COVID-19 public health emergency was the transition to virtual school, of which students suffered learning loss during the transition. Proposals with indirect remedies should proportionately respond to the impact of the COVID-19 public health emergency.

2.7. Can ARPA funds be used to support capital projects?

ARPA funds can be used to support certain capital projects. To learn more about the eligibility of capital projects, visit <https://arp.baltimorecity.gov/reports-and-resources> or review [Treasury's interim final rule](#).

2.8. Can a nonprofit organization make a proposal for a revolving loan fund?

Yes, a nonprofit can make a proposal for a revolving loan fund. However, revolving loan fund programs are generally complex and require extensive recordkeeping and documentation. If nonprofits do not have experience in administering these programs, or cannot adhere to recordkeeping requirements, the Recovery Office requests that applicants propose grant programs.

3. Financial Concerns

3.1. Can a nonprofit organization use ARPA funds to cover administrative costs?

Yes, up to 6% of the rewarded funding amount can be used to cover administrative costs.

3.2. Can ARPA funding be used to cover past losses due to the COVID-19 public health emergency?

No, nonprofits may not cover past losses or past expenses due to the COVID-19 public health emergency. However, if alternate funding sources are available, the Recovery Office may recommend those sources that are more appropriate for these kinds of expenditures.

3.3. Are nonprofit organizations with operating budgets of less than \$250,000.00 eligible to apply?

Yes, a nonprofit with an operating budget of less than \$250,000.00 can apply. However, nonprofits will have to demonstrate their capacity to administer funds at or above \$250,000.00, in addition to submitting an eligible project proposal to be considered for ARPA funding.

3.4. What is the minimum amount of funding a nonprofit organization can apply for? What is the maximum?

The minimum amount of funding that a nonprofit can apply for is \$250,000. The amount can be a multi-year commitment. There is no maximum amount. Nonprofits should do their due diligence to justify and demonstrate sound rationale for the amount requested. Nonprofits should also be prepared to coordinate with an application advisor provided by the Recovery Office if the proposal is advanced to the application stage. The amount requested may not ultimately be the funded amount. Project funding may be adjusted for size and scope.

3.5. Will requesting a funding amount over a certain amount affect a nonprofit organization's score?

No. However, nonprofits should do their due diligence to justify and demonstrate sound rationale for the amount requested.

3.6. How much funding is reserved for nonprofit organizations?

About \$500 million is available for all ARPA-related projects—both from City agencies and nonprofit organizations. There is no designated funding amount for nonprofits only at this time.

4. Applications

4.1. When can nonprofit organizations apply for funding?

The application portal opened on October 1, 2021 and will close on December 31, 2021.

4.2. How does a nonprofit organization apply for ARPA funding from the City of Baltimore?

Nonprofits can apply for ARPA funding by visiting arp.baltimorecity.gov/apply-funding. Proposals can be saved to be completed at a later date but must be submitted by the identified deadline—December 31, 2021.

4.3. If a nonprofit organization has multiple requests for funding, should they be combined into one proposal or separate proposals?

Each proposal should be a single idea or a collection of similar ideas that achieve a singular purpose. Ideas that are dissimilar should be in separate proposals.

4.4. If a nonprofit organization submits multiple proposals, can more than one of the proposals be selected to receive funding?

Yes.

4.5. Do nonprofit organizations have to describe the impact a project will have on their operating budget?

All nonprofits should take into account that ARPA is one-time funding and project proposals should generally be of that nature. Nonprofits should be able to financially sustain whichever programs or initiatives they seek to begin or expand. The Recovery Office requests that any additional costs, savings, or potential revenue from the project be described in the proposal.

4.6. Does a nonprofit organization have to identify evidence-based interventions if a proposed project is considered a direct remedy?

Depending on the proposed project, a nonprofit may be required to identify evidence-based interventions. According to the United States Department of Treasury's [Coronavirus State and Local Fiscal Recovery Funds Guidance on Recipient Compliance and Reporting Responsibilities](#), "Recipients must describe the goals of the project, and the evidence base for the interventions funded by the project. Recipients must specifically identify the dollar amount of the total project spending that is allocated towards evidence-based interventions for each project in the Public Health (EC 1), Negative Economic Impacts (EC 2), and Services to Disproportionately Impacted Communities (EC 3) Expenditure Categories."

4.7. How detailed does the nonprofit organization's proposal have to be?

A proposal is a concise overview of the proposed project. It identifies the project managers, provides a description of the project, identifies potential performance measures, and offers a high-level overview of the budget and potential cost impacts. The information provided in the proposal will be reviewed for eligibility by the Recovery Office. More detailed information will be required if a proposal is advanced to the application process.

5. Application Process

5.1. Are there additional requirements for nonprofit organizations?

For nonprofit organizations, the City will have to complete a risk assessment and any other due diligence required to fulfill compliance with the applicable federal, state, or local law.

5.2. Is there a user guide for the application portal?

Yes, a user guide is included in the application instructions which can be found at arp.baltimorecity.gov/apply-funding.

5.3. Can multiple users work on one application?

Yes, multiple users can work together by using the “collaborate” function in the online application.

5.4. Can a project proposal be saved and edited at a later time?

Yes, the online application portal allows a proposal to be saved during the editing process and completed at a later time.

5.5. How are proposals evaluated?

If the project is determined to be eligible for ARPA funding, the proposal will then be scored against 100-point criteria by the Proposal Review Team.

Proposals receiving a score of 50 points or less will be declined. Proposals receiving an average score greater than 50 and up to 67 points may be asked to resubmit with revisions up to 2 times. Proposals receiving an average score of 67 points and above will move on to the next phase in the process. The criteria can be found in the Application Instructions at arp.baltimorecity.gov/apply-funding

5.6. Can nonprofit organizations coordinate and jointly submit one project proposal?

Yes, nonprofits can coordinate and jointly submit one project proposal. However, a lead organization must be chosen to submit the proposal. Should the proposal move to the application stage and be selected for funding, the lead organization will work with the secondary organization as a sub-grantee.

5.7. Can a nonprofit organization withdraw their project proposal?

Yes, a nonprofit can withdraw their project proposal at any stage prior to signing the grant agreement.

6. Funding Process

6.1. How will nonprofit organizations receive ARPA funding?

Each project awarded funding will have a grant agreement. The grant agreement will include the payment schedule.

6.2. What happens if a project is not chosen for funding?

If a project is not selected to move to the application phase or to funding, the nonprofit will receive a formal notification from the Recovery Office.

6.3. If a nonprofit organization received other federal funding, can they still receive ARPA funding?

Yes, a nonprofit who received other federal funding can still receive ARPA funding. However, if the nonprofit expends \$750,000 or more in federal funds in its fiscal year, it shall engage at its own expense an independent audit firm to perform an annual audit in compliance with the requirements of 2 C.F.R. 200 and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Additionally, the Recovery Office will review proposed projects for duplication of benefits—meaning if a nonprofit receives financial assistance from multiple sources for the same purpose, and the total assistance received for that purpose is more than the total need for assistance, ARPA funds will not be awarded.

7. Timeline

7.1. How long is the entire process expected to take?

The Recovery Office will work with organizations to ensure that applications are completed in a timely manner. Timeframes will vary based on how quickly the nonprofit can complete the required components of the application and respond to requests for information. For more information on the ARPA process, please review the Application Instructions at arp.baltimorecity.gov/apply-funding

7.2. When will a nonprofit organization be notified if a project has been chosen for funding?

Nonprofits will receive regular email communication from the Recovery Office through each step of the process. There is no commitment to fund any project until it has been approved by a City executive.

7.3. What is the anticipated timeline for projects that are funded?

Projects can begin after the grant agreement has been executed. Funding for nonprofits will likely begin in early 2022.