



JASON E. MUMPOWER
Comptroller

July 9, 2021

MEMORANDUM

TO: All County Mayors/Executives, Trustees, and Finance Directors. All City Mayors and Finance Directors

FROM: Jason E. Mumpower, Comptroller of the Treasury

SUBJECT: American Rescue Plan Act – Additional Guidance

A handwritten signature in blue ink that reads "Jason E. Mumpower".

The U.S. Treasury continues to provide additional guidance concerning allowable expenses for funds received under the American Rescue Plan Act's State and Local Fiscal Recovery Fund. We want to highlight some provisions that continue to be of particular interest to Tennessee local governments.

Summary of Guidelines for Premium Pay.

1. The [Interim Final Rule](#) states that premium pay is for "essential workers in critical infrastructure sectors who regularly perform in-person work, interact with others at work, or physically handle items handled by others."
2. Critical sectors include healthcare, education and childcare, transportation, sanitation, grocery and food production, and public health and safety, among others. It should be noted that the chief executive officer (city or county mayor) may designate other essential workers in critical sectors within the general guidelines listed in point 1 above.
3. The Interim Final Rule does clarify that "A worker would not be engaged in essential work and accordingly may not receive premium pay for telework performed from a residence."
4. Premium pay may be made retroactively for work already performed during the pandemic. We believe March 2020 to be a reasonable beginning date for considering retroactive pay.
5. The described limits to the premium pay are "up to \$13 per hour above normal compensation to a maximum of \$25,000 per employee."
6. We strongly recommend that this premium pay be in the form of bonuses since this funding is non-recurring and should only be used for non-recurring expenses.

Use of interest earnings.

Treasury has clarified in its "[Compliance and Reporting Guidance](#)" document that interest earnings on these funds are not limited to eligible uses under the ARPA guidance. So, any interest earned on these funds may be used for any government purpose.

Final Guidance

The U.S. Treasury is expected to issue its final guidance on these funds in September. We recommend that local governments wait to finalize their plans for the use of these funds until the final guidance is received.

We have created a website "tncot.cc/covid" with links to all currently available guidance issued by Treasury. Please visit this site for more detailed guidance, or contact us at ARP@cot.tn.gov or 615.401.7841 if you have specific questions.