



Treasury Updates SLFRF FAQs, Clarifying Obligation Requirement

U.S. Department of the Treasury (Treasury) recently updated the [frequently asked questions \(FAQ\)](#) for the State and Local Fiscal Recovery Funds (SLFRF) program to further clarify the “obligation” requirement. There is no action required at this time; however, recipients will note that Treasury is extending the reporting deadline for estimated costs associated with certain administrative and legal requirements, as described below.

Among other items, these FAQs contain three important clarifications:

- First, Treasury considers an interagency agreement to constitute an obligation for purposes of the SLFRF rule if the agreement satisfies certain conditions.
- Second, Treasury considers a recipient to have incurred an obligation with respect to personnel costs for an employee through December 31, 2026, to the extent the employee is serving in a position that was established and filled prior to December 31, 2024.
- Third, Treasury is clarifying how recipients may cover cost increases associated with contracts or subawards entered into by December 31, 2024.

Treasury will host recipient webinars on May 8 and 9, 2024 to further explain these and other clarifications. Recipients are strongly encouraged to attend one of these two webinars; the same material will be presented on each date. Recipients may use the links below to register for a webinar:

- [May 8, 2024, 10:00 a.m. -11:30 a.m. ET](#)
- [May 9, 2024, 1:00 p.m. - 2:30 p.m. ET](#)

As a reminder, recipients are considered to have incurred an obligation by December 31, 2024, with respect to a requirement under federal law or regulation or a provision of the SLFRF award terms and conditions to which the recipient becomes subject as a result of receiving or expending SLFRF funds. Recipients may submit to Treasury an estimate of SLFRF funds that it will use to cover such costs. Recipients are not required to submit estimates for all administrative costs associated with their projects; rather, they must submit an estimate if they want to cover such costs using SLFRF funds that they would otherwise have to return to Treasury after 2024 as unobligated.

In these FAQs, Treasury is extending the deadline for recipients to report this estimate of costs to meet legal and administrative requirements to July 31, 2024, for quarterly reporters, or April 30, 2025, for annual reporters.

Additional details about these and other clarifications can be found in the newly-added [Section 17 of the FAQs](#).

Additional information about the SLFRF program is available at the links below and on the SLFRF program [website](#).

If you have any questions, please send an email to SLFRF@treasury.gov.

