

Beyond ARPA SLFRF

Turning ARPA SLFRF Experience into Lasting Grant Capacity

As the American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF) program enters closeout, municipalities have an opportunity to turn grant program administration into lasting institutional capacity. This document helps communities assess new and existing capabilities developed through ARPA SLFRF, identify gaps and practices worth preserving, and strengthen systems to support future funding opportunities. As the federal government continues to push operational and financial responsibilities to states, it is more important for local governments to ensure that they can properly manage and administer federal and state grants.

ARPA SLFRF: What We Learned

For each area below, choose one rating. Areas that have not yet been established or are not yet in progress can be considered top areas for focus for municipalities.

ARPA SLFRF revealed that federal grant management is as much about the logistics of administration as it is about the purpose of the funds. For municipalities new to federal funding, the program served as a practical introduction to the mechanics of award management: setting up tracking systems, documenting decisions, maintaining an audit trail, and coordinating among finance, program, procurement, and leadership staff. For municipalities with prior federal grant experience, ARPA SLFRF offered an opportunity to tighten internal controls, standardize procedures, and confirm that existing practices were strong enough to support a high-volume, high-visibility award.

Common lessons municipalities might find worth carrying forward include:

- **Clear roles and authority matter.** Grant success improves when fiscal, program, procurement, and leadership responsibilities are clearly defined before funds are received.
- **Documentation is not optional.** Organized records support compliance, reporting, closeout, and continuity when staff change.
- **Internal controls protect the award and the organization.** Standard approval workflows, reconciliations, and oversight help reduce risk and detect issues early.
- **Subrecipient and contractor oversight must be intentional.** Contract monitoring, reporting expectations, and deliverable tracking should be built into award management from the outset.
- **Closeout is a learning opportunity.** The final review of obligations, expenditures, and reporting can reveal where systems performed well and where they should be strengthened for future awards.

Turning These Lessons into Grant Readiness

The closeout experience also prompts a broader institutional inquiry: **is the municipality prepared for the next award?** Readiness extends beyond the quality of a project concept, as it depends on adequate staffing, delegated authority, formalized policies, robust fiscal systems, procurement capacity, and project-tracking infrastructure. Municipalities that manage funds well usually rely on repeatable processes, not memory, improvisation, or a single staff member. Municipalities should plan to prepare the administrative foundation necessary to competently pursue, accept, and manage awards with accountability.

Practices That Strengthen Administration and Award Management

SLFRF closeout also reinforces the importance of strong post-award procedures. Once a municipality accepts an award, it should have a clear process that confirms responsibilities, establishes reporting calendars, and identifies required approvals and documentation. Procurement and contract management should be handled through consistent standards so that award conditions are understood before funds are committed.

At the same time, financial tracking should remain continuous rather than episodic. Obligations, expenditures, and supporting documentation should be monitored throughout the life of the award, not assembled only at the end. That discipline makes **reporting more accurate, reduces closeout stress, and improves readiness** for oversight or review.

Building Lasting Capacity

Municipalities strengthen their institutional resilience when grant administration is embedded into routine operations and anchored by formal policy. The objective is to transition from transient, project-specific management to a durable, repeatable institutional practice that withstands staff turnover and evolving funding cycles.

- Practices that serve to institutionalize capacity include:
- Formalized grant policies and procedures.
- Standardized forms, templates, and checklists.
- Comprehensive training and cross-training for personnel engaged in grant administration.
- Centralized file management with consistent naming conventions.
- Annual reviews of grant processes, incorporation of lessons learned, and implementation of corrective actions.

These practices ensure that the lessons from ARPA SLFRF extend well beyond the program's conclusion. The closeout process thus transforms from a mere administrative conclusion into a source of enduring institutional knowledge, strengthening future grant performance and the stewardship of public resources moving forward.

MTAP has developed a companion resource to help municipalities systematically capture their ARPA SLFRF lessons and apply them to future programming. MTAP has also created a self-assessment tool to evaluate internal capacity for federal funding, and guidance on preparing for compliance as communities plan ahead, available with this QR Code:



Check out the
Assessment + MTAP
Website/Resources