Developing a Transparency Guide for the One-Time Influx of COVID-19 Relief Funds to Local Governments: Lessons from Arkansas

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Abstract

Since the outbreak of the COVID-19 pandemic, local governments (i.e., cities and counties) have received an influx of funds from the United States Treasury Department to help pay for unexpected eligible expenses and replace lost revenue. Concerned citizens have observed that governments may [inadvertently] create opportunities for public-sector corruption through their disbursement processes. Adding to the corruption concerns are the difficulties local government officials have reported in interpreting ambiguous provisions in the U.S. Treasury's guidelines on the funds' allowable uses. Using lessons from Arkansas local governments, this paper presents a practical guide for governments and their residents to understand and implement best practices for using, tracking, and being transparent with the COVID-19 relief funds. Our research can help governments prioritize what information to make available to stakeholders, including their residents and the U.S. Treasury.

Keywords**:** COVID-19 pandemic, relief funds, local government, transparency, open government

Introduction: Transparency in Emergency Situations

In January 2020, the World Health Organization declared the COVID-19 pandemic a public health emergency of international concern (World Health Organization, 2020). Since the pandemic's declaration, the U.S. Treasury has released trillions of taxpayer dollars to state and local governments to mitigate the pandemic's impact on individuals and businesses. It is not unusual for the federal government to release funds to mitigate the impact of disasters or pandemics (Rhodes, 2020). However, failing to track the use of those funds can weaken the efficiency of the crisis response and result in corruption (Deslatte, 2020; Gallego et al., 2021; Vrushi & Kukutschka, 2021). For example, Jenkins et al. (2020) predicted that some portion of the COVID-19 relief funds disbursed to the healthcare sector would be lost to corruption, based on their research of previous crises.

On March 27, 2020, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, releasing $2.2 trillion in taxpayer funds to provide fast and direct economic aid to the American people harmed by the COVID-19 pandemic (Coronavirus Relief Fund, 2021). Within this $2.2 trillion package, the CARES Act established the Coronavirus Relief Fund (CRF), which allocated $150 billion for states, local governments, and tribes to respond to, prevent, and prepare for COVID-19 (Coronavirus Relief Fund, 2022). One year later, on March 11, 2021, congress passed the American Rescue Plan Act (ARPA), releasing an additional $1.9 trillion to combat the COVID-19 pandemic and its public health and economic impacts. Of the $1.9 trillion package, ARPA allocated $350 billion under the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program to eligible state, local, territorial, and tribal governments to respond to the virus's economic and public health impacts. Further legislation has set aside additional state and local recovery funding, including the Coronavirus Response and Relief Supplemental Appropriations Act and the Infrastructure Investment and Jobs Act (Airi, 2021).

Background: A Breakdown of Funds Provided to Arkansas

Arkansas has received over $8 billion in COVID-19 relief funds from a combination of funding portfolios, including CARES, ARPA, and others (Hardin Scott, Director of Communications Arkansas Department of Finance and Administration, email to author, July 21, 2022; CTEH, 2021). Over $3 billion was provided to Arkansas under the CARES Act, from which $1.25 billion was disbursed directly to the state government through CRF (Coronavirus Relief Fund, 2021). CARES funding is complicated as some of it was provided directly from the federal government to state agencies and did not require appropriation (Hardin Scott, Director of Communications Arkansas Department of Finance and Administration, email to author, July 21, 2022). Under ARPA, Arkansas has received over $5 billion. Just like under CARES, ARPA disbursed about $2.8 billion directly through the state government (State of Arkansas Department of Finance and Administration, 2021), while the other sums were disbursed through other grant portfolios (Hardin Scott, Director of Communications Arkansas Department of Finance and Administration, email to author, July 21, 2022).

CRF Funds to Arkansas's Local Governments

From our research, of the $1.25 billion in CRF funds released to the state, the Arkansas CARES Act Steering Committee disbursed $150 million to cities, towns, and counties: $75 million for cities and towns, and $75 million to counties (Louthian, 2020). Approximately 500 cities and towns and all 75 counties within the state have received these funds (State of Arkansas Department of Finance and Administration, 2021).

ARPA Funds to Arkansas's Local Governments

A breakdown of the $2.8 billion in ARPA funds on the Arkansas Department of Finance and Administration (DFA) website shows that $1.6 billion was designated as the State Fiscal Recovery Fund, another $1 billion as the Local Fiscal Recovery Fund, and another $158 million as the Coronavirus Capital Project Fund (Arkansas Department of Finance and Administration, 2021). Approximately $586 million in ARPA funds has been disbursed to counties as of May 2022 (United States Department of Treasury, 2021b). Counties and other local governments have until December 31, 2024, to obligate ARPA funds (that is, commit them to specific needs) and until 2026 to complete projects and spending related to the obligated funds (Federal Register, 2021).

How Has Arkansas Promoted Transparency in Its Use of COVID-19 Relief Funds?

There were controversies during the initial rollout of applications for CARES ACT funds in 2020, though Arkansas governor Asa Hutchinson moved quickly to resolve them (Brantley, 2020). Subsequently, as the influx of funds was rolled, local governments, especially counties, were not clear on how they could use or report their use of the relief funds. For example, with ARPA funds, counties and school districts reported technical difficulties in understanding the use of some categories of the funds (Howell, 2022; KFSM, 2021; Villines, 2021). A difficulty some county officials reported was that the U.S Treasury's guidelines were better suited to urban localities and unsuitable in some of Arkansas's more rural localities (Lindsey Holman, CEO and Principal of Holman Strategies LLC, in discussion with the authors, September 2021). In addition, pressure groups in some counties asked their county officials to pause the spending of ARPA funds until the public could weigh in on the appropriate needs and uses for the funds (Sissom, 2021). This was a problem: the lack of clarity may not only promote misuse of funds but also inhibit well-intentioned government officials from using the funds to serve their residents because of propriety concerns and fear of legal action by the U.S. Treasury Department.

In August 2021, the Arkansas DFA's Office of Accounting was concerned that proper and adequate documentation for audit purposes was not being requested and appropriately maintained at the state agency level (State of Arkansas Department of Finance and Administration, 2021). As a result, the DFA executed a contract with emergency response firm CTEH, in partnership with emergency management firm Hagerty Consulting, to provide a COVID-19 cost recovery grants management system as well as expert support and guidance to the state (Louthian, 2020; State of Arkansas Department of Finance and Administration, 2021). It is unclear whether the DFA's contract and partnership with CTEH and Hagerty Consulting extend technical expertise to local governments on how ARPA funds can be spent, tracked, and reported online.

In January 2022, the U.S. Treasury Department released an updated Coronavirus State and Local Fiscal Recovery Final Rule ["Final Rule" (FR)] that took effect on April 1, 2022. The federal policy on eligible uses was modified to provide more flexibility for smaller rural governments to use the funds for the provision of government services. The U.S. Treasury recognized that rural communities needed the ability to address the negative impacts of COVID-19 while addressing long-standing disparities in rural communities. That is why the updated policy provided recipients with the option to take up to $10 million of their SLFRF funds and designate those dollars as revenue replacement funds to use towards the provision of government services. For many counties in the state, this allowance from the U.S. Treasury would help them spend the funds in a federally compliant way while addressing the unique needs of their communities (Lindsey Holman, CEO and Principal of Holman Strategies LLC, in discussion with the authors, July 2022). The Final Rule also provided significant clarification regarding other federal grant compliance requirements. In addition, other supporting guidance from the U.S. Treasury has continuously been updated, including:

- SLFRF Reporting and Compliance Guide
- SLFRF Project and Expenditure Report Portal User Guides
- SLFRF Final Rule FAQs
- SLFRF Final Rule Overview
- SLFRF Recovery Plan Guides

- SLFRF/OMB Single Audit Alternative Memo

These updates and the new guidance from the U.S. Treasury give more tools to SLFRF recipients that should significantly drive down the risk of non-compliance and recoupment of federal funds.

Literature

The one-time influx of funds was designed to help local governments assist residents with unexpected eligible expenses and replace lost revenue due to the pandemic. However, if local governments spend the influx of funds in a way that they or residents cannot track, this lack of transparency could promote secrecy and foster corruption (Gallego et al., 2021). Similarly, Amedee et al. (2011) and Deslatte (2020) warned that a climate ripe for the indulgence of self-interest at the people's expense would erode public trust.

Why We Need a Transparency Guide for the Influx of Funds at the Local Government Level

Corruption can arise from the tendency of some public officials to act dishonestly or compromise internal controls for their personal gain (Levi & Smith, 2021). Local governments experience more problems with transparency and internal controls than other levels of government (Cuadrado-Ballesteros, 2014; De Araujo & Tejedo-Romero, 2016; Guillamón et al., 2011) because they are more averse to open-government initiatives (Cuadrado-Ballesteros, 2014). However, transparency is important for local governments because they oversee basic essential services that can impact their residents' daily lives. For example, Arkansas county governments oversee essential services like law enforcement, firefighting, ambulances, transportation, sewer, trash pickup, and water for their residents (Arkansas Code, 2017). Corruption's negative impact on any of these essential services can seriously impact people's lives, but transparency can deter corruption (da Cruz et al., 2016).

What We Mean by "Transparency"

Transparency in this study refers to publishing and tracking the use of COVID-19 relief funds on official local government websites to allow residents to access credible and durable information promptly and efficiently (Porumbescu, 2015). Our definition is an operational one: Krah and Mertens (2020) stated that "transparency involves the online publicity of all the acts of government and their representatives providing civil society with relevant information in a complete, timely, and accessible manner" (p. 1). Similarly, da Cruz et al. (2016) explained transparency as existing when governments report in a manner that is accessible and convenient to residents - why, what, and how they are spending public funds. Thus, transparency goes beyond mere access to information; it demands that information be published online in a format that all stakeholders can understand and utilize to improve the lives of COVID-19 impacted Arkansans (de Araujo & Tejedo-Romero, 2016; Kalulu et al., 2019). Public officials cannot demonstrate integrity and good performance without reporting their acts to residents in accessible ways (da Cruz et al., 2016).

Why Web Transparency Matters

Web transparency is a form of open government initiative. Others include data portals, social media, and online meetings. All of these help the public to monitor government spending and other crucial political and administrative activities (Tavares & da Cruz, 2020). Research shows that public websites play a crucial role in promoting government transparency, resident participation, and government-resident collaboration (Bertot et al., 2010; Cuillier & Piotrowski, 2009; Tavares & da Cruz, 2020). They also promote equal and sustained public access to government information (Bertot et al., 2010), which in turn enhances public trust (Amedee et al., 2011; Pina et al., 2007) and discourages corruption (Bertot et al., 2010).

Research has also suggested that citizens frequently seek real-time information online during emergencies, such as the COVID-19 public health emergency. An open-data approach eliminates many barriers to resident communication that governments have historically experienced (Graham et al., 2015). Web transparency allows residents to participate more broadly in times of crisis as they seek, collect, create, and share information online. Studies show that local governments are increasingly using web pages and social media platforms to communicate with their residents during crises (Conrado et al., 2016; Merchant et al., 2011; Mergel, 2013).

Some local governments in other states have been tracking and reporting the use of funds online. For example, city governments in Los Angeles (LA Controller, 2020), Chicago (City of Chicago, 2022), and New York (Independent Budget Office of the City of New York, 2022) have dashboards that track COVID-19-related spending. Though these programs do not necessarily organize data, their efforts are notable.

Study Design

Our study employed a multimethod approach. We used a content-analysis approach (Berelson, 1952) to collect information from county websites on how they tracked and reported the use of ARPA funds. We also administered an online survey (Sue & Ritter, 2012) to county officials to collect information. The Institutional Review Board at the University of Central Arkansas reviewed and approved the protocol before we conducted the survey.

Data Collection and Analysis

Our data collection and analysis covered Arkansas's 75 counties. First, we conducted a content analysis of their official government websites in early 2022 to see whether they reported using or spending ARPA funds and how they reported such information to residents. The objective of this step was to identify data gaps. Next, we provided a survey to all 75 Arkansas county judges to explore open-access communication content. The survey was also a type of content analysis (Tavares & da Cruz, 2020). We received 24 completed surveys.

The survey focused on four major areas:

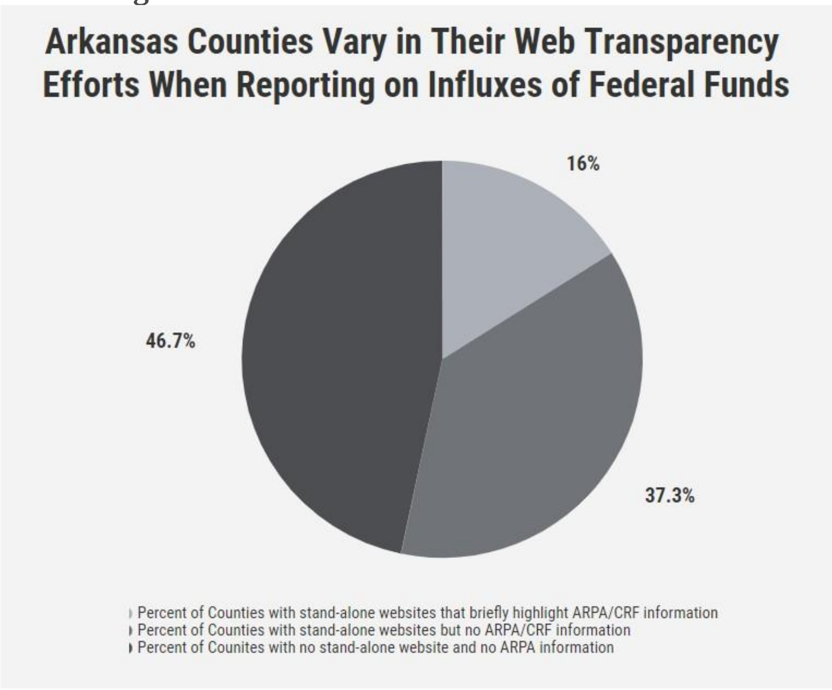
1. Do you need technical assistance with understanding ARPA funds?
2. Where do you need the most technical assistance?
    a. Use and Spending
    b. Tracking

   c. Reporting
   d. Other
3. Does your office have measures for tracking and reporting ARPA funds to residents? If yes, please describe those measures.
4. Does your office have methods for tracking and reporting ARPA Funds to the U.S. Treasury?

Results and Discussions

The results from the transparency survey demonstrate that only 12 counties briefly highlight ARPA/CRF funding activity. Meanwhile, 28 counties have stand-alone websites that fail to report any ARPA/CRF related information. 35 counties failed to report any ARPA or CRF funding information whatsoever due to their lack of a stand-alone web transparency resource for taxpayers to learn about influxes of federal funds earmarked for COVID-19 related expenditures.

Figure 1

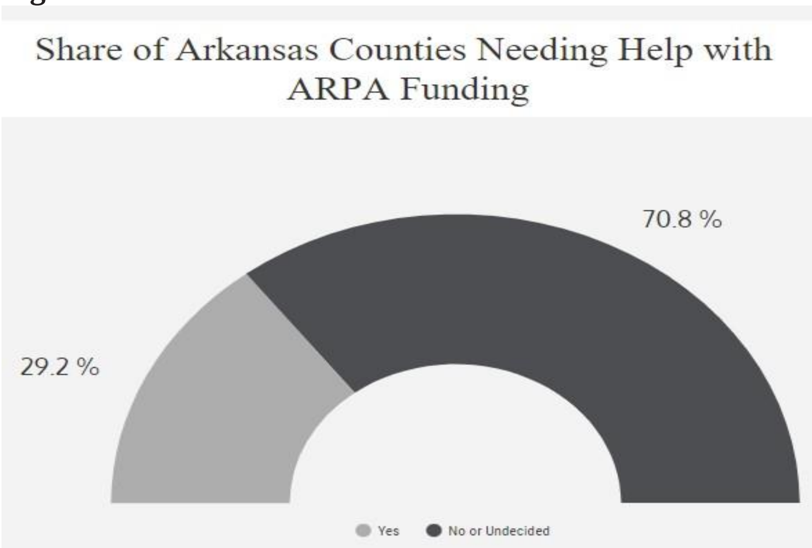


Next, we present our survey results in the same order as our survey questions.

Need for Technical Assistance

The survey for developing a transparency guide for the influx of federal funds sampled all 75 Arkansas counties. We received 24 counties' responses, comprising 33% of the state. Amongst the 24 respondents, 29.2% (seven counties) said yes, they needed technical assistance with understanding how to be transparent in their county's use of ARPA funds. The remaining 70.8% (17 counties) declined technical assistance (see Figure 2).

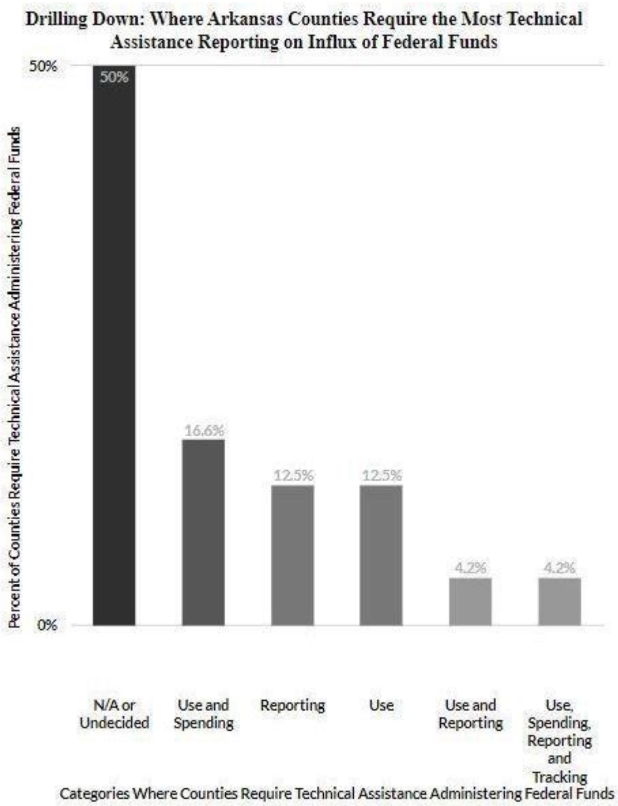
Figure 2



Where Arkansas Counties Require the Most Technical Assistance

There was a wide variance across six unique responses in terms of Arkansas counties' need for technical assistance in administering ARPA/CRF disbursements. Fifty percent of respondents, or 12 counties, indicated they did not need any technical assistance utilizing ARPA/CRF funds. The next largest subset of four counties requested technical assistance with both the use and spending of federal ARPA/CRF funds. Three counties required assistance in reporting on federal fund disbursements due to overly complex U.S. Treasury Department guidance on reporting requirements and follow-up for counties. However, another three counties needed assistance on only the use of those funds. These counties' reticence toward making independent use determinations could be attributed to their lack of technical expertise to make efficient use determinations from the U.S. Treasury's guidance, which is extensive and requires intensive legal interpretation in terms of the breadth of possible legitimate uses for ARPA/CRF funds by counties. One county required assistance with both the use and reporting of federal funds. Meanwhile, the last respondent county indicated it required technical assistance with all four aspects of ARPA/CRF funds, namely the use, spending, reporting, and tracking of ARPA/ARF disbursements to final beneficiaries. Figure 3 shows the distribution of needs as it relates to ARPA/CRF funding to Arkansas counties.

Figure 3

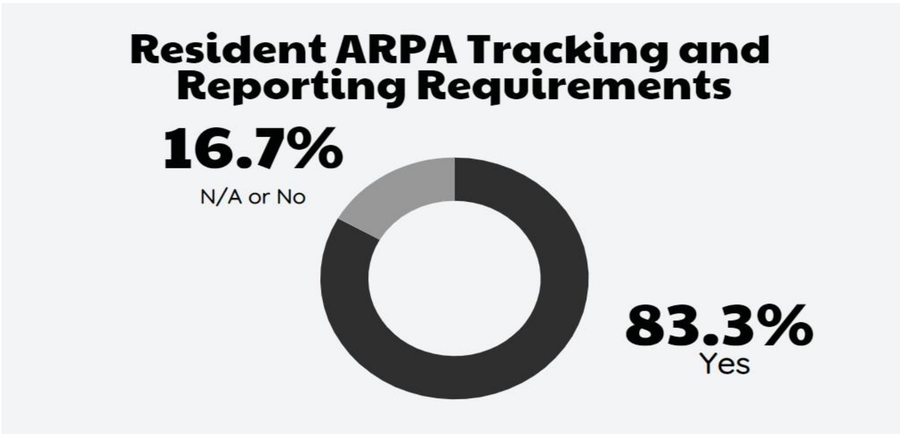


How Arkansas Counties Track and Report on Their Use of ARPA Funds to Arkansas Residents

When we collected data in March 2022, no county fully reported or tracked the use of ARPA funds online. However, out of Arkansas's 75 counties, 40 have stand-alone websites; the other 35 have some or minimal web presence through the state's Arkansas.gov platform. At the time of our survey, no county fully reported on how they spent or tracked the relief funds they received. Twelve counties briefly highlighted some information on ARPA and CRF funds on their websites or referred users to information on grant expenditures in their budgets, audit reports, or other spending records. Those records lacked detailed data on relief fund disbursement amounts and recipients.

The vast majority of respondents have some mechanism in place to report and track ARPA disbursements to Arkansas residents. However, two counties have no requirements to track or report any ARPA disbursements. This puts the administration of these dollars at risk of misuse by opportunistic county officials. Figure 4 below shows the share of counties that implemented practical steps to allow residents to track ARPA disbursements.

Figure 4



The largest category of county respondents, 41.7%, reported that they had not spent the ARPA disbursement yet or had no plan to report such information to their county constituencies. Next, 20.8% of counties in the survey utilized county websites or the local news to make residents aware of how the county intended to spend ARPA funding. Another 12.4% of counties distributed ARPA spending information through their county treasurer's office, while another 12% opted to retain a consultant for the same purpose. Also, 8.3% of counties partnered with the Arkansas Association of Counites (AAC) or the National Association of Counties (NACO) consultants. Finally, 6% of counties chose to include a line item in their county budget to allow county-level employees to share information related to county ARPA spending.

How Arkansas Counties Track and Report on Their Use of ARPA Funds to the U.S. Treasury

Of the 24 counties that completed the survey, 21 said that they track and report their ARPA spending to the U.S. Treasury. The other three counties said they were undecided or did not report this information.

Creating a Relief Funds Transparency Checklist

To encourage transparency in the use of relief funds, we created a checklist of suggested items for local governments to track and report on their websites. We developed this checklist from existing best-practices research on transparency during emergencies, then added items from the Interim Final Rule (United States Department of Treasury, 2021a), the updated Final Rule (Federal Register, 2022), and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR § 200 [2013 as amended]).

Transparency Checklist

Type of Information	On County Website?	Additional information
1. Statement on compliance with policy standards on fund use and reporting		
2. Procurement		
Current requests for proposals/quotes (RFPs/RFQs)		
Past RFPs/RFQs		
Current bidders		
Past bidders		
Current bid amounts, or at least the range of the bid amounts		
Past bid amounts, or at least the range of the bid amounts		
Current bid winners		
Past bid winners		
Current winning bid amounts		
Past winning bid amounts		
3. Budget		
Current year's adopted budget (or separate General Ledger line items for relief funds in the budget)		
Previous (one) year's adopted budget		
4. Audits		
Current year's audit		
Previous (one) year's audit		

Checklist Considerations

Here, we describe in more detail how counties can comply with each of the numbered checklist items above.

1. Compliance with reporting standards: Recipients of ARPA funds are generally required to follow the use and reporting provisions of the U.S. Treasury's Final Rule and the Uniform Guidance. Recipients must also meet deadlines for submitting relevant reports. Counties with compliance questions may seek advice from the Association of Arkansas Counties (2021) or a qualified consultant. Costs for administering and managing ARPA funds, including consulting fees, are eligible under ARPA, as are costs for ensuring compliance with legal, regulatory, and other requirements (Federal Register, 2021; National Association of Counties, 2022.).

2. Compliance with procurement standards: Procurement refers to the process of acquiring goods and services from third parties. Government procurement of goods and services is vulnerable to corruption because of the volume of contracts, the large sums involved, and the opportunities for bribery (Bauhr et al., 2020; Purwanto & Emanuel, 2020). Further, detecting procurement fraud can be challenging because it can occur at any point in the bid process: pre-solicitation, solicitation, or submission.

2 CFR § 200.317–327 explains the expectations for recipients to comply with procurement standards. Recipients must also follow the applicable laws and regulations in their jurisdictions with respect to procurement purchases. To procure property or services pursuant to a federal award, the process must allow for "full and open competition" as set forth in 2 CFR § 200.319–320.

The Uniform Guidance in 2 CFR § 200 describes how to comply with the following procurement methods: micro-purchases, small purchases, sealed bids, requests for proposals, and, under specific circumstances, non-competitive procurement. When purchases are below the Simplified Acquisition Threshold (currently $250,000), the recipient may use informal procurement methods (i.e., micro-purchases and small purchases) as applicable. However, when the purchases exceed this threshold, the recipient must use formal procurement methods (i.e., sealed bids and requests for proposals). The methods for both informal and formal procurement are described below.

Informal Procurement

Micro-Purchases: Micro-purchases may be awarded without using the competitive bid process so long as the recipient determines that the price is reasonable based on its research, purchase history, experience, or other factors (2 CFR § 200.320(a)(1)). The recipient must document this determination. Furthermore, recipients should alternate micro-purchases among qualified suppliers to the extent practical.

A micro-purchase is one where the *aggregate* amount of the purchase does not exceed the micro-purchase threshold (currently $10,000), except in the case of construction subject to the Wage Rate Requirements, where the limit is $2,000 (48 CFR § 2.101). The micro-purchase threshold applies in aggregate, *not* on a per-item basis.

Recipients may self-certify that they qualify for a micro-purchase threshold of up to

$50,000 on an annual basis. The self-certification must contain the micro-purchase threshold set by the recipient, the justification for the threshold, and supporting documentation that the recipient is one of the following:

- A low-risk auditee, as set forth in Section 200.520;
- Subject to an annual internal institutional risk assessment to identify, mitigate and manage financial risks; or
- Subject to a higher threshold consistent with state law for public institutions.

The recipient must self-certify every year and must maintain the required documentation to support the certification.

Small Purchases: The Uniform Guidance provides that small purchases (2 CFR § 200.320(a) (2)) are those that are above the micro-purchase threshold (currently $10,000 in most cases) but below the Simplified Acquisition Threshold (currently $250,000). To use the small purchase method, the recipient must obtain price quotes from an "adequate number of qualified sources" as determined by the recipient. An explanation as to what constitutes an "adequate number of qualified sources" for purposes of the Uniform Guidance has not been issued. While the Recipient of ARPA funds must follow the Uniform Guidance rather than state procurement rules, the State of Arkansas, for example, requires a minimum of three qualified prospective contractors for goods or services costing between $20,000 than $75,000 for state contracts (Arkansas Department of Transformation and Shared Services, 2021). Small purchases do not require formal bids. Instead, the recipient may use listed pricing on vendor websites or in vendor catalogs, obtain informal vendor price quotes, or employ other pricing methods.

Formal Procurement

Sealed Bids: Procurement using sealed bids may be appropriate for purchases greater than $250,000 (2 CFR § 200.320(b)(1)). The recipient must publicly solicit sealed bids for a fixed-price contract and award the contract to the lowest responsible bidder who meets all material terms and conditions for the invitation to bid.

When using the sealed bid method, the recipient must provide a complete and realistic purchase description and ensure that two or more bidders are willing and able to compete for the business; the procurement lends itself to a firm fixed price, and the winning bidder can be selected based on lowest quoted price. The recipient must publicly advertise its request for sealed bids and must solicit bids from an adequate number of qualified sources with sufficient time to respond before the bid period closes. The solicitation must include specifics of the items or services being sought and the date when the sealed bids will be opened. The recipient must publicly open all sealed bids and may reject bids if there is a "sound documented reason."

Requests for Proposals: The recipient should use a request for proposal to make the award in situations where a sealed bid is not appropriate, such as when factors besides price are important (such as, but not limited to, trademarked or proprietary information) (2 CFR § 200.320(b)(2)).

The recipient evaluates the proposals and awards the contract to the party whose proposal is the "most advantageous" to the recipient when considering both price and other necessary factors. The recipient must publicize the request for proposals, solicit proposals from an adequate number of sources, and identify all factors it will consider, along with each factor's relative importance.

Non-competitive Procurement: The Uniform Guidance allows recipients to follow non-competitive procedures in certain limited instances (2 CFR § 200.320(c) (1)–(3) and (5)). For purposes of the SLFRF funds, these instances include micro-purchases (described above); items only available from a single source; public exigency or emergency which will not allow for a delay caused by a competitive bid process; or after solicitation of bids where the competition is deemed inadequate.

The Uniform Guidelines also emphasize contracting with small businesses, minority-owned businesses, women-owned businesses, and labor surplus firms when possible (2 CFR § 200.321). Methods to ensure consideration of these businesses include placing them on solicitation lists, dividing the total contract into smaller parts (when feasible), and requiring the award winner to use these methods when selecting subcontractors. When drafting the contract for procurement, certain provisions must be included, as described in the appendix to the Uniform Guidelines (2 CFR § 200, Appendix II).

Local governments can foster transparency by promptly reporting procurement information through open and centralized platforms like government websites. Residents would be able to see procurement information such as the following:

- Current requests for proposals (RFPs)
- Archived RFPs
- Current bidders
- Past bidders
- Current bid amounts (or, at least, the range of bid amounts)
- Past bid amounts (or, at least, the range of bid amounts)
- Current bid winners
- Past bid winners
- Current winning bid amounts (or, at least, the range of bid amounts)
- Past winning bid amounts (or, at least, the range of bid amounts)

3. Compliance with budget standards: Fiscal transparency protects local governments' budgets. Best practices can include publishing county budgets online (Bernick et al., 2014), strengthening policies around accounting systems and internal controls (like recordkeeping), implementing strict procurement policies around the disbursement of funds, upholding the separation of powers, performing due diligence on contractors, and more (Vrushi & Kukutschka, 2021). Counties should ensure that financial data are available online for residents and officials to easily access and scrutinize. Counties should also note that the Interim Final Rule requires recipients whose population exceeds 250,000 residents to provide the U.S. Treasury with the budget adopted for each project, by jurisdiction, associated with SLFRF funds (United States Department of Treasury, 2021a).

4. Compliance with internal controls and audit standards: Each recipient must develop and implement internal controls to ensure that the recipient is managing the SLFRF funds in compliance with federal statutes and regulations (2 CFR § 200.318), including awarding projects that constitute eligible uses of the funds. Recipients must also ensure that they document award determinations.

Furthermore, recipients must maintain oversight of the award to ensure that the contractors perform in accordance with the awarded contract. Recipients can strengthen audits and other oversight policies and roll out technological tools that can help with real-time auditing during the spending period. After setting up these tools, recipients should inform their staffs as a deterrent to corrupt practices (2 CFR § 200.318). Recipients can also implement plans to conduct rigorous after-the-fact auditing of transactions that took place during the spending period and publish them online. Funds can be set aside for such audits (Khadem, 2020).

Conclusion

The one-time influx of relief funds to local governments was designed to help with the unanticipated expenses and lost revenue as a result of the pandemic. Residents and governments need to follow the money to deter corruption. Releasing waves of public funds without following the money creates a fertile ground for corruption (Jenkins et al., 2020). For ideal transparency, local governments should publish real-time COVID-19 relief-fund expenditures online at least monthly. It would also be ideal for local governments to publish information online on the outcomes of their procurement processes related to ARPA funds, including the contract awardees, contract amounts, communities served, number of residents with access to programs before and after, and other key details.

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