



Published on National Council of Nonprofits (<https://www.councilofnonprofits.org>)

Original URL: <https://www.councilofnonprofits.org/articles/state-and-local-fiscal-recovery-funds-still-available-asking-so-ask>

State and Local Fiscal Recovery Funds Still Available for the Asking. So Ask!

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Our Advocacy in Action articles normally feature nonprofits advancing their missions in innovative ways using advocacy in the broadest sense of the word. Their examples often inspire other nonprofits to engage in advocacy in their own creative ways. This article diverges from the norm. It is less inspiration (although imbued with brilliance of nonprofit colleagues across the country), and more of a hands-on guide on how to advocate with local and state officials to secure what's remaining of quickly disappearing funding. It's time to set aside theory and inspiration and get to The Ask for [State and Local Fiscal Recovery Funds](#) (SLFRF) under the American Rescue Plan Act (ARPA).

What's the Hurry?

Charitable nonprofits are eligible for SLFRF dollars; many billions have already been paid directly to nonprofits to help them and their communities recover from the pandemic. But time is running out for governments to obligate whatever SLFRF money they still have. By the end of 2024, governments need to have obligated

(signed written contracts/grants) their remaining allocation to nonprofits and others or send the money back to the federal government. Hence the urgency.

About SLFRF

The 2021 American Rescue Plan Act allocated \$350 billion to the SLFRF program for distribution to state, local, Tribal, and territorial governments, and non-entitlement units (cities, villages, towns, townships, or other types of local governments typically serving populations of less than 50,000). Governments can [use their funds on charitable nonprofits](#). By Dec. 31, 2024, all governments must commit to spending all remaining SLFRF resources, and once they are obligated, the funds must be spent by Dec. 31, 2026.

Why Is Advocacy Needed?

SLFRF is an exceptionally rare, once-in-a-lifetime opportunity. It does not follow a standard process of governments issuing requests for proposals and nonprofits dutifully filling out prescribed forms. Quite the contrary, many of the governments that received money by way of SLFRF had never before gotten direct funding from the federal government. They were as perplexed about how to proceed as nonprofits were about how to apply. That's why the National Council of Nonprofits developed analyses, templates, FAQs, and case studies for the benefit of governments, philanthropy, and, of course, charitable nonprofits. See [Accessing State and Local Fiscal Recovery Funds](#).

Advocacy, however, remains key. Charitable nonprofits must 1) figure out what the SLFRF funds can be used for, 2) find where money is still available, 3) identify needs within their own operations or the communities they serve that could be addressed with those funds, and 4) then MAKE THE ASK. The rest of this article is dedicated to those steps.

Knowing How Nonprofits Are Eligible

According to the [Treasury Final Rule](#), there are two ways in which nonprofits are eligible for SLFRF:

1. **Beneficiaries trying to recover from negative impacts of the pandemic:** Many governments established Nonprofit Relief grant programs (sometimes using different names) administered by a government or third party like a community foundation or a central nonprofit.
2. **Providers of services on behalf of governments:** Governments have also “hired” nonprofits directly to carry out a program or service on behalf of a government, providing the funds to the nonprofits through a grant or contract. NOTE: Governments may make advance payments to charitable nonprofits providing the services.

Importantly, nonprofits may receive funds from more than one government agency, as well as multiple grants from a single government agency. Nonprofits may also receive funds for more than one purpose (e.g., both as a beneficiary to help it recover from the pandemic and separately to provide services on behalf of governments).

Not sure what all that means in practice? [Check out these examples](#) (“Successful Models”) that nonprofits successfully advanced through SLFRF.

Locating Remaining Funds

Many local and state officials have said when asked that they’ve already spent their SLFRF funds, yet nonprofits continue to secure SLFRF grants or contracts. The disconnect between statement and fact is caused by different factors. Many governments are discovering they have funds remaining because they have to reallocate funds from cancelled projects, reopen applications, or they mistakenly deposited more of the funds into their general fund than permitted. The bottom line is that in many more cases than you’d think there’s more money at the bottom line.

The challenge is finding SLFRF funds, and then finding how much still exists. Some governments have SLFRF dashboards with information on their allocations, showing the amounts obligated and spent, and the projects funded by category. Here are some sources to estimate the remaining funds by government:

- **State and Local Funds:** Data from the U.S. Department of Treasury show that as much as [\\$89 billion remained unobligated](#) as of Dec. 31, 2023.
- **State Funds:** The National Conference of State Legislatures has an [allocations database](#) that shows projects by state and territory, and whether the funds

were obligated by the legislature or through an executive office.

- **Local Funds:** The Brookings Institute, National Association of Counties, and the National League of Cities maintain a [Local Government ARPA Investment Tracker](#) for counties, cities, and consolidated city-counties.

But perhaps nothing beats picking up the telephone and asking. Usually, the local government finance office has the information. It may take a nudge from a friendly elected official, e.g., the Mayor or Council Member, to get them to say how much.

Our advice: Don't Be Shy.

Time is running out for them too. Together you have a shared interest in ensuring the dollars are spent to help the community. Otherwise, officials will have to explain why they sent useful funds back to Washington, DC.

Preparing the Proposal

There are no Request for Proposals under SLFRF. We recommend that you use that to your advantage. Depending on the size of your organization, you and/or your nonprofit's development person/team can draft your own SLFRF proposal to send to your local governments. The National Council of Nonprofits developed this [SLFRF template](#) you can customize to fit your particular opportunities. Here are some items to consider including in your proposal:

- Brief background on SLFRF and charitable nonprofits' eligibility.
- About your nonprofit: mission and impact, recent accomplishments, noteworthy statistics, and how the pandemic impacted your nonprofit and community.
- The proposal: the program and project you are advocating for, and how it would address a challenge in your community. If you know how much is left in SLFRF resources, you can include an amount.

MAKING THE ASK

There are many ways to deliver your proposal. Just like in fundraising with a foundation or donor, it's best to have a personal conversation and direct your ask to someone with whom you have a prior good relationship. If you don't have a relationship with that government, ask your board members for assistance. Don't worry though if relationships don't already exist. Again, just like with traditional

fundraising, making a cold call gives you an opportunity to make a new friend when they learn about the special work of your nonprofit.

Another method is to send a letter to whomever you determine is the official SLFRF manager for that government, and then follow up with phone calls and meetings. Nonprofits can contact their Mayor, City Manager, City Council members, or an office involved in the budget process (and similar officials within county governments) to ask about the remaining SLFRF resources and set up a meeting. If you are unable to reach them via email (or even if you can), then a phone call can determine whether your nonprofit secures SLFRF resources.

Yet another approach is to actively participate in public meetings of the public body council or committee meetings, either by submitting your SLFRF proposal as testimony or by reading the proposal in front of decisionmakers so they can hear how the pandemic continues to impact your nonprofit and mission and how you will use the funds. It's always helpful to emphasize the benefits to the community.

Since their December 31 deadline for allocating the funds is rapidly approaching, it's in the interest of local officials to work with you. Persistence can and should pay off.