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STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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Date:	July 6, 2026
To:	Michigan Local Units of Government
From:	Local Audit and Finance Division, Bureau of Local Government and School Services
Subject:	State and Local Fiscal Recovery Funds Reporting Requirements 2026 and 2027

Introduction

The information conveyed below is for informational purposes only. Authoritative guidance should be obtained from the U.S. Treasury.

The American Rescue Plan Act (ARPA) established the State and Local Fiscal Recovery Funds (SLFRF) program to help governments respond to and recover from the COVID-19 emergency. This memo summarizes the requirements mainly for the program's final stage.

Key Deadlines

- December 31, 2024
  Deadline to obligate all ARPA/SLFRF funds

- September 30, 2026
  Deadline to spend funds for surface transportation and Title I housing projects.

- December 31, 2026
  Deadline to fully expend all funds.

Reporting Requirements (Project and Expenditure Reports)

- Quarterly Reports
  - Required for jurisdictions that have populations over 250,000 or received more than $10 million in SLFRF funds.
  - Due Date: April 30, 2026, covering January through March 2026

- Due Date: July 31, 2026, covering April through June 2026
- Due Date: October 31, 2026, covering July through September 2026
- Due Date: January 31, 2027, covering October through December 2026
- These reports are cumulative, each quarter must include all obligations and expenditures to date.

- Annual Reports
  - Required for jurisdictions that have populations under 250,000 or received $10 million or less in SLFRF funds.
  - Due Date April 30, 2026, covering April 1, 2025 through March 31, 2026.
  - Due Date April 30, 2027, covering April 1, 2026 through December 31, 2026 where spending may be occurring. No expenses should be occurring after December 31, 2026. Administrative closeout activities may occur, even though expenditures may not be incurred (with exceptions).

Closeout and Final Reporting into Calendar Year 2027

- Recipients must continue submitting Project and Expenditure reports until the U.S. Treasury formally issues a closeout invitation and confirmation, even if funds are fully expended by the end of 2026.
- U.S. Treasury is inviting recipients to close out on a rolling basis, with invitations sent starting in September 2025, and more expected during the 2026 reporting cycle.
- For recipients who initiate and complete the closeout process, reporting ends upon receipt of Treasury's final confirmation.

Documentation & Record Retention

- Retain all ARPA/SLFRF records for a minimum of 5 years after the final expenditure or after funds are returned. This includes supporting documentation which includes financial records, contracts, payroll, procurement, programmatic files, subrecipient oversight, etc.

Audit Compliance

- Single Audit Requirements
  - For entities with fiscal year end before September 30, 2025, expending over $750,000 in federal funds will require a Single Audit.
  - Entities expending over $1,000,000 for fiscal year ending on or after September 30, 2025, in federal funds during the fiscal year are subject to a Single Audit.

- If a recipient is subject to Single Audit solely due to SLFRF, they may be eligible for Alternative Compliance Examination Engagement (ACEE) provided both criteria are met:
    - Total SLFRF award is less than or equal to $10,000,000, and
    - Other federal awards expended (excluding SLFRF) is less than $750,000 (see update above).

- Audit Readiness
    - The Office of Inspector General (OIG) may audit ARPA awards. Common focus areas include procurement, allowable expenses, subrecipient monitoring, and accurate reporting.

Please visit the SLFRF website for more information. For questions about reporting, compliance, and program guidance, please contact SLFRF@treasury.gov or call 844-529-9527.