

# Memorandum of Understanding

For subrecipients that may have difficulty meeting the August 30, 2024, obligation deadline, U.S. Treasury has determined that a memorandum of understanding (MOU) between departments within a subrecipient's government constitutes an obligation of ARPA funds. Examples of a valid MOU are one executed between your County Board of Supervisors and your County Administrator, or between your Board of Alderman/City Council and your Mayor/City Manager.

MOU templates for your review that we believe satisfy U.S. Treasury's obligation requirements for purposes of the MCWI Program are included in the links below. Note that the templates adopt and incorporate your MCWI Subaward, specifically the not to exceed amount of your LFRF and the scope of work for your Project, all of which is information that Treasury requires for the MOU.

[MCWI Municipality MOU Template](#)

[MCWI Board of Supervisor MOU Template](#)

## **Per U.S. Treasury, a valid MOU must satisfy one of the following conditions:**

- it imposes conditions on the use of funds by the agency, department, or part of government receiving funds to carry out the program;
- it governs the provision of funds from one agency, department, or part of government to another to carry out an eligible use of LFRF; or
- it governs the procurement of goods or services by one agency, department, or part of government from another.

## **Additionally, the MOU must contain each of the following items:**

1. it sets forth specific requirements, such as a scope of work and project deliverables;
2. it is signed by the parties to the agreement, or otherwise evidences that each party has assented to the agreement; and
3. it does not disclaim any binding effect or state that it does not create rights or obligations.

While execution of an MOU may satisfy the obligation date, it is still imperative that you move forward with contracting for the work needed to complete your Project as soon as possible. We understand that the templates may not be applicable to your form of government. In those instances we recommend that you reach out to the MDEQ MCWI team to discuss potential revisions to the draft MOU. Because of the recency of this guidance and the lack of clarity from U.S. Treasury surrounding the use of an MOU to obligate your LFRF, should you elect to use the MOU option for obligating your LFRF, you assume the risk associated with the use of this new mechanism for obligation. We strongly recommend that contracts necessary for your MCWI Project be executed by December 31, 2024.

**If you decide to use an MOU for obligation purposes, please follow the below steps:**

1. Use the above linked template as a guide for completing your MOU(s). If this template does not meet your form of government, please contact Thomas Tynes at: [ttynes@mdeq.ms.gov](mailto:ttynes@mdeq.ms.gov) or 601-961-5578.
2. Ensure that your MOU(s) is executed by the proper parties as outlined above. Subrecipients with multiple subawards should execute one MOU per subaward.
3. Once your MOU(s) is executed, it must be uploaded to the MCWI portal by August 30, 2024.
4. Continue to work to properly procure and execute contracts and upload all contracts to the MCWI portal within 15 days of execution as required by your MCWI subaward.

**Additional information on use of an MOU for ARPA LFRF obligations may be found at:**

- [U.S. Treasury May 2024 Obligation Webinar Slides](#)
- [U.S. Treasury Updated SLFRF Final Rule FAQs](#) (we recommend reviewing the FAQs starting at FAQ 17).

If you elect to use a MOU to obligate your LFRF, you will need to report that obligation to U.S. Treasury as part of your normal, independent reporting to the U.S. Treasury portal.

PLEASE NOTE: Your reimbursement requests will not be processed until formal contracts have been executed, uploaded to the MCWI portal, and reviewed by the MCWI grant team.