

Transparency and Accountability

- All ARRA funds must be tracked separately and districts need to maintain accurate, complete and reliable documentation of all ARRA investments
- ARRA recipients must produce quarterly reports (section 1512 of ARRA)
 - Financial and program outcome reports.
 - Estimated number of jobs created/saved.
 - Other information to be required by USDE and USOMB
- States must report annually on SFSF (section 14008 of ARRA) and the state's progress on meeting the four assurances

Accounting For ARRA

- All ARRA funds must be tracked separately
 - Using unique program code within the 450-460 range

Source	Revenue	Expenditure
ARRA- Title I, Part A	20-4511-(45x-46x)	20-(45x-46x)-xxx-xxx
ARRA – Title I, SIA a	20-4512-(45x-46x)	20-(45x-46x)-xxx-xxx
IDEA Basic	20-4514-(45x-46x)	20-(45x-46x)-xxx-xxx
IDEA Preschool	20-4515-(45x-46x)	20-(45x-46x)-xxx-xxx
ARRA - ESF	16-4520	16-xxx-xxx-xxx
ARRA – GSF	17-4521	17-xxx-xxx-xxx

Allowable Cost Questions to Consider for ARRA funds

1. Is the proposed cost allowable under the applicable statute (e.g. IDEA, Title 1)
2. Is the proposed cost consistent under federal cost principles (USOMB Circular A-87)?
3. Is the proposed cost consistent with the US Department of Education's general administrative regulations (EDGAR, Part 80)?

1. Allowable under Applicable Statute?

- ❑ Have you met maintenance of effort requirements
- ❑ Are funds used on eligible students
- ❑ Are expenditures supplemental where required
- ❑ Have set-asides been met

2. Consistent with Federal Cost Principles (OMB Circular A-87)?

- Are all costs necessary, reasonable, allocable, legal under state and local law, conform with federal law and grant terms, GAAP, adequately documented, etc.
- Are you following 43 specific items detailed in A-87
 - Allowable (e.g. communication costs)
 - Unallowable (e.g. alcoholic beverages, lobbying)
 - Allowable under certain circumstances (e.g. compensation for personal services to extent appropriate “time and effort” records are maintained)
- Website for A-87 Circular

http://www.whitehouse.gov/omb/fedreg/2005/083105_a87.pdf

3. Consistent with EDGAR

- Are you ensuring timely obligation and liquidation of funds (cash management rules)
- Are you ensuring equipment purchases are used for the program/project acquired and disposal requirements
- Are you following state procurement laws
- Are you maintaining appropriate internal controls
- Are you tracking and returning any interest earned on any federal advance at least quarterly
- Website for EDGAR

<http://www.ed.gov/policy/fund/reg/edgarReg/edgar.pdf>

REMEMBER

Single Audit Requirements

- ❑ A-133 audits (single audits) are required for entities with federal expenditures of \$500,000 or more
- ❑ ARRA funds are federal and must be considered in this determination
- ❑ Website for A-133 Circular

http://www.whitehouse.gov/omb/assets/omb/fedreg/2007/062607_audits.pdf

- ❑ Website for A-133 Compliance Supplement

http://www.whitehouse.gov/omb/circulars_a133_compliance_09toc/