



OBM

Ted Strickland
Governor

J. Pari Sabety
Director

March 24, 2009

TO: Executive Sponsors

FROM: J. Pari Sabety, Director
Office of Budget and Management

**SUBJECT: Federal Stimulus Guidance Document #4
State Agency Assurance Statements for ARRA Certifications**

This document provides guidance on the process of filing federal program certifications, signed by Governor Strickland, which the State of Ohio is required to submit to federal agencies under the American Recovery and Reinvestment Act (ARRA). Although finalized guidance from the federal Office of Management and Budget (OMB) agency is pending, several program certifications were required in the past week or will be required in the near future. OBM will coordinate the approval of federal certifications required by the ARRA.

All current and future federal certification requests require a state agency assurance statement be submitted to OBM. The statement must provide assurance that your agency has or will implement appropriate controls within the pre-application, application, program administration & management, reporting, and reconciliation & accountability processes. These assurance requirements are based on OMB's Initial Implementation Guidance issued to federal agencies on February 18, 2009, which can be located at www.Recovery.gov. While the assurance requirements are based upon the guidance directed to federal agencies, it provides Ohio, at the outset, with an opportunity to meet potential federal requirements to the states. Please review the OMB's guidance with the understanding that it is the basis for providing Governor Strickland with assurances that your agency has or will have the necessary processes and procedures in place to conform to the ARRA requirements.

In order to ensure that Ohio meets all federal requirements for certifications and assurances in a timely manner the following process has been designed:

1. Agencies complete the attached assurance statement for each program administered by your agency by March 27, 2009, and return with a draft of your certificate to Sarah Harrigan, Sarah.Harrigan@obm.state.oh.us. Please note, if your agency has already filed a certification with the federal government, OBM requests that you submit an assurance statement retroactively. If you have not yet filed a certification, this assurance statement must be signed prior to receiving the Governor's signature for the certification.
2. OBM will upload and maintain the final, signed documents from agencies in an accessible database through the Governor's office Share Point database.
3. OBM will vet the document with the Office of Internal Audit, OBM legal counsel and the Governor's legal counsel. Controlling Board President, Joe Secrest, will coordinate this process.
4. If any changes need to be made, agencies will be notified by OBM.

5. OBM and the Governor's office will ensure that the certificate is signed by the Governor and filed in a timely manner with the appropriate federal agency.
6. OBM will upload the final certificate on the documents database, accessible through the Governor's Share Point database.

Also attached to this guidance is a process map depicting a high level overview of your agency's roles within the State of Ohio's implementation of ARRA. Please look it over to understand how your processes help support the overarching ARRA accountability objectives of:

- Funds are awarded and distributed in a prompt, fair, and reasonable manner;
- The recipients and uses of all funds are transparent to the public, and the public benefits of these funds are reported clearly, accurately, and in a timely manner;
- Funds are used for authorized purposes and instances of fraud, waste, error, and abuse are mitigated;
- Projects funded under this Act avoid unnecessary delays and cost overruns; and
- Program goals are achieved, including specific program outcomes and improved results on broader economic indicators.

A future OBM guidance document will provide more details on your responsibilities under ARRA regarding risk assessments and process mapping documentation requirements. Any questions or concerns relating to certificates and assurance statements can be directed to Joe Secrest at 752-6392, or Sarah Harrigan at 466-6573.

OAKS Account Code (to be completed by OBM): _____

Program Name: _____

Executive Agency: _____ Total State Allocation: _____

ARRA Program: _____

**State of Ohio
State Agency Assurance Statement**

I declare that, to the best of my knowledge, the following assurances have been met, or will be met, regarding the funds received as part of The American Recovery and Reinvestment Act of 2009 (ARRA).

A. Pre-application

1. Agency management has assessed program risks and implemented appropriate risk mitigation controls to comply with the intent of ARRA's requirement for risk management. (See OMB Initial Implementing Guidance (page 5), Section 1 General Information; sub-section 1.5, Risk Management).
2. Agency has an internal control framework to conform to responsibilities and accountability objectives of ARRA as listed as the five states under sub-section 3.1 of the OMB Initial Implementing Guidance (page 19), Section 3 Governance and Risk Management.

B. Application

1. Applications received, reviewed and awarded/denied followed a documented process using the criteria of Meeting the state grant objectives and evaluation criteria, award projects based upon a competitive process, determine whether existing grantees/awardees can be continued/renewed, assess process for ensuring the timeliness of award. (OMB Initial Implementing Guidance (page 32), Section 5 Grants and Cooperative Agreements; sub-section 5.1).
2. Program plans summarize the specific ARRA projects and activities specifically listed at OMB Initial Implementing Guidance (page 13), Section 2 Agency Plans and Public Reporting, sub-section 2.8).

C. Program Administration & Management

1. Separate accounting mechanisms are in place to ensure that funding received and disbursed as part of ARRA is maintained separate from, and not commingled with other funds (OMB Initial Implementing Guidance (page 25), Section 4 Budget Execution, sub-section 4.2).
2. Agency management has identified qualified personnel to oversee ARRA funds throughout the ARRA funding life cycle (See Figure 1 OMB Initial Implementing Guidance (page 20), Section 3 Governance and Risk Management).
3. Planning activities identify compliance requirements and related controls for existing programs as well as for competitive and formula grant awards that may be significantly different under ARRA funding (OMB Initial Implementing Guidance (page 32), Section 5 Grants and Cooperative Agreements; sub-section 5.1).

4. The receipt and disbursement of funds has been done in accordance with the purposes and intent of ARRA and relevant State laws, regulations and guidelines (OMB Initial Implementing Guidance (page 20), Section 3 Governance and Risk Management; sub-section 3.4)
5. ARRA program funds received will be appropriately monitored for timely expenditure of dollars, timely completion of planned work and cost overruns are minimized (See Figure 1 OMB Initial Implementing Guidance (page 20), Subsection 3.4 Governance and Risk Management).
6. Sufficient risk mitigation processes are in place to meet accountability objectives (OMB Initial Implementing Guidance (page 19), Section 3 Governance and Risk Management; sub-sections 3.1, 3.4& 3.6).
7. Sufficient internal control and monitoring activities, including sub-recipients, grantees, or vendors, are in place to ensure achievement of program and economic outcomes.

D. Reporting

1. Agency management is appropriately tracking progress against accountability measures as identified in ARRA (OMB Initial Implementing Guidance (page 20), Section 3 Governance and Risk Management; sub-section 3.5).
2. Agency will regularly report to the Office of Budget and Management quantifiable program costs and performance information (OMB Initial Implementing Guidance (page 14), Section 2 Agency Plans and Public Reporting, sub-section 2.9).
3. Sufficient information is available for internal or external parties to subsequently audit and validate the completeness and accuracy of reports submitted.

E. Reconciliation & Accountability

1. Program plans hold managers accountable for achieving ARRA program goals and improvement actions. (OMB Initial Implementing Guidance (page 14), Section 2 Agency Plans and Public Reporting, sub-section 2.8(k)).
2. Agency will reconcile program apportionments, allotments, obligations, and expenditures related to ARRA (OMB Initial Implementing Guidance (page 25), Section 4 Budget Execution; sub-section 4.2).

Agency Executive Sponsor Signature

Date

Title and State Agency

INSTRUCTIONS: This form must be completed for every ARRA program. For programs with multiple Executive Sponsors, one form must be filled out for each sponsor to sign. For Executive Sponsors with multiple programs, one assurance statement must be completed for each program.

