

3.3. ARRA ISTV and Refund Guidance
Tuesday, December 15, 2009

Good morning,

Below is guidance for two accounting procedures for ARRA transactions in OAKS.

State Agency to State Agency ISTVs

Due to the federal reporting requirements, **state agencies cannot be considered sub-recipients of another state agency**. See attachment #1 for ARRA state agency to state agency transaction scenarios.

To accurately capture ARRA expenses for 1512 reports when this state quasi - “sub-recipients” situation exists, OBM has developed a procedure for OAKS account coding. When one state agency ISTVs money to another under a “sub-recipient”/pass-through relationship (see attachment #2) they must use the coding laid out in the attachment. This procedure is essential because it will allow OBM to structure 1512 reports properly and prevent double-counting of revenue and expenditures. For state agencies administering ARRA programs, please ensure that the state agencies to whom you have given subawards adhere to this procedure.

For a “vendor” relationship between state agencies (i.e. one state agency pays another for a direct good or service), conventional OAKS ISTV account coding should be followed.

As always any revenue or expenditure in OAKS needs to have the relevant ARRA program codes included on the transaction.

ARRA Refund Procedure

Several agencies have inquired as to how to properly account for refunds of ARRA disbursements. If you have distributed ARRA funds to sub-recipients or vendors and, during the same fiscal year, those funds are reimbursed to your state agency, you should code the deposit as a credit to the expense code (as well as your ARRA program code) of the original transaction. This will correct the GL and AP, which will ensure that your vendor disbursements are not overstated in the ARRA Hub.

For refunds of ARRA funds disbursed to subs or vendors in a prior year, we cannot make the deposit the same way. As a result, the ARRA team is designing a process for adjustments to prior year disbursements in the ARRA Hub. Please contact your OBM ARRA Liaison if you have FY 09 expenses that were refunded back to your agency in FY 10.

If you have any questions, please contact your OBM ARRA Liaison. Thank you for your continued efforts.

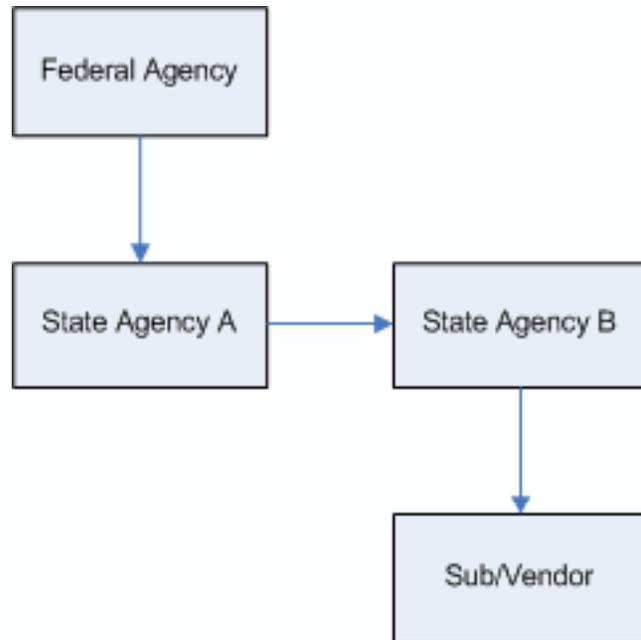
Sincerely,

The ARRA Reporting Team

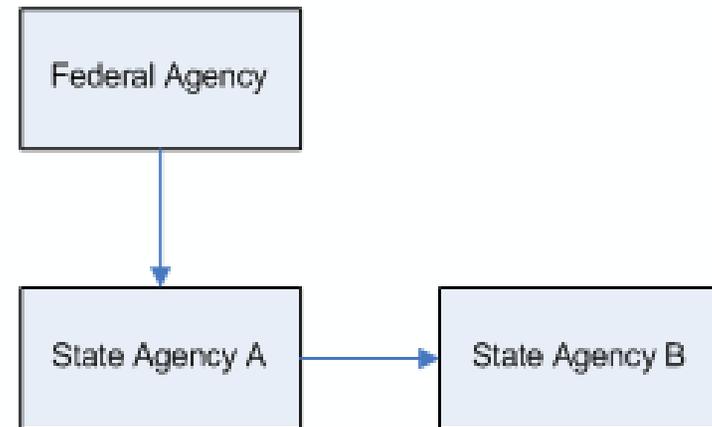
Attachment: #1- Coding ARRA ISTV Scenarios.pdf
#2- ARRA ISTV Pass-Through Scenario Details.pdf

Coding ARRA ISTVs

Pass-through Scenario
Use Pass-through Account Codes



Fee for Service Scenario
Use Standard Account Codes



ARRA State Agency to State Agency ISTV Transfer for a “Sub-Recipient” Relationship

Recipient State Agency Issues Invoice to Administering State Agency

Account Field Action Step:

Recipient state agency must code revenue received from the ISTV to account code **470400** (Federal Pass-Through ISTV)

Program Field Action Step:

Recipient state agency must code revenue received from another state agency with the relevant ARRA program code



Administering Agency Sends ARRA Funds via ISTV to Recipient Agency

Account Field Action Step:

Administering state agency must use expense account code **596010** (Federal Pass-Through Funds (ISTV))

Program Field Action Step:

Administering state agency must use its relevant ARRA program code for this transaction



Recipient State Agency Expend ARRA Funds

Account Field Action Step:

Recipient state agency should use whatever appropriate expense account code applies to this transaction.

Program Field Action Step:

Recipient state agency must code all expenditure with its relevant ARRA program code