



March 16, 2009

**TO:** Federal Stimulus Executive Sponsors  
Agency Fiscal Officers

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

**SUBJECT: Federal Stimulus Guidance Document #3  
Preliminary Reporting Guidance**

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This document is preliminary guidance for the reporting requirements related to funds your agency is receiving under the American Recovery and Reinvestment Act (ARRA). In addition to the general reporting requirements of the ARRA, state agencies must also adhere to the guidance being released regularly by Federal agencies in implementing the ARRA programs specific to these agencies.

#### Reporting Revenues and Expenditures of ARRA Funds

Under ARRA, all revenues and expenditures of ARRA funds must be segregated from other program funds and accounted for separately. Thus, although your agency may regularly receive an allocation of program funds under a Federal program which has been provided enhanced funding under ARRA, these funds are not to be commingled.

To adhere to this provision, OBM is creating a centralized system to report all general ledger data through the OAKS system. OBM will also be developing a series of program reports which agencies can use to regularly monitor your ARRA revenues and spending metrics to ensure that we are complying with the provisions of the law. While this system is being developed, a few procedures are necessary to account for all ARRA funding.

**As soon as you become aware of anticipated ARRA revenues or expenditures from your agencies, please contact your OBM budget analyst.** An OAKS program number will be assigned to your program for both revenues and expenditures. This program number will serve as the tracking mechanism for the life of the project. In some cases, it may be necessary to track expenditures at a more detailed level than program. In such cases, OBM will work with agencies individually to ensure that reporting needs are addressed.

Below are the enumerated steps for the interim ARRA reporting process. These steps should be taken as soon as revenue or expenditures are anticipated.

1. Contact your OBM budget analyst with a program name and a program number from the Stimulus Sharepoint site. Your agency's Executive Sponsor or Program Owner should be able to provide this information.

2. Your OBM analyst will provide you with an OAKS program code for revenues and expenditures.
3. This program code will be established in OAKS with the goal of occurring within one business day.
4. Use this program code for all revenue and expenditures related to that program in OAKS.

This process will ensure that all revenues and expenditures related to ARRA are tracked separately and will enable reporting statewide or by program. While the program field is currently the basic element of ARRA reporting in OAKS, OBM does recognize the need for flexibility among different agencies. For this reason, OBM will continue to work with agencies to adapt solutions to their specific needs.

### Programmatic Reporting under ARRA Section 1512

Under ARRA (or the Recovery Act), recipients of discretionary appropriations are required to provide extensive reporting over and above the reporting requirements normally required by the Federal agency responsible for the program. The ARRA defines a “recipient” as any entity that received Recovery Act funds directly from the Federal government. While Ohio has not received final guidance from OMB on these matters, it is imperative that state agencies undertake two activities immediately:

- Agencies need to assure that the reporting requirements under ARRA Section 1512, and any other reporting requirements required by their Federal agency, are made a part of every grant and contract under which they are spending or allocating ARRA funds.
- Agencies need to plan now for collecting the data that we will need to provide to [recovery.gov](http://recovery.gov) on a quarterly basis. OMB has not yet issued guidance on data standards or reporting formats for these reports, but when these are issued, OBM will provide templates to agencies to make standard submission of these reports easier for you.

Note that agencies that are receiving funding under ARRA through entitlement or other mandatory programs are not required to comply with these provisions, except as specifically required by the Federal funding source or OMB directive.

For all other agencies receiving Federal funds under ARRA, these reporting provisions apply for completion of the Section 1512 reports. For your planning purposes, starting on July 10<sup>th</sup>, Ohio will be required to report the following information ten days after the close of every calendar quarter:

- (1) The total amount of recovery funds received from the Federal government by your program or agency;
- (2) The amount of recovery funds received by your agency that were spent on projects or activities;
- (3) A detailed list of all projects or activities for which recovery funds were spent by your agency, including:
  - a. Name of project or activity
  - b. Description of project or activity
  - c. Evaluation of completion status of project or activity

- d. Estimate of the number of jobs created and the number of jobs retained by the project or activity; and
  - e. For infrastructure investments made by State and local governments, the purpose, total cost, and rationale of the agency for funding the infrastructure investment with funds made available under ARRA
- (4) Detailed information on any subcontracts or subgrants awarded by your agency in compliance with the reporting standards of the Federal Funding Accountability and Transparency Act of 2006 (P.L. 109-282).

Based upon the process laid out in the Recovery Act, these reports will be reviewed by the GAO and the Recovery Oversight Board within 45 days of submission, and that review will be submitted to Congress. Additionally, we can expect other reports will be requested directly from a number of Congressional committees on these funds, particularly around transportation and infrastructure investments.

For the data to be aggregated across all state agencies for these quarterly reports, OBM will be providing a repository for consolidating data and will provide support to agency staff in coordinating reporting requirements on a quarterly basis. We will provide instructions to you in the future as this repository is developed, and as we receive additional guidance from OMB.

#### Future ARRA Guidance

An upcoming OBM guidance memo will outline the Office of Internal Audit's recommendations on risk mitigation measures that you should be taking now. These actions will ensure that ARRA funds are being spent in a way to show that Ohio is maximizing the positive outcomes for our economic recovery from these funds, and that we are taking proactive measures to prevent waste, fraud and abuse.