



ACCOUNTING ALERT

DEPARTMENT OF ADMINISTRATIVE SERVICES

Number 09-03 (released 7-31-09)

American Recovery and Reinvestment Act (ARRA) and Grant Funding

The federal government has granted additional monetary assistance for various county run programs, both existing and new. With the increase in funding, all departments need to be aware of the financial compliance reporting required by federal and state agencies.

The passing of the ARRA requires additional reporting obligations. Any grant or reimbursement received by state and federal funding must be properly reported so that Accounting can determine the recording requirements on the annual financial statements. Divisions receiving additional aid under the ARRA or any other grant must be aware of the reporting obligations that come with these funds. Some items to be aware of are:

- Federal programs are easily identified by the *Catalog of Federal Domestic Assistance (CFDA) Number*. Any documentation representing a CFDA number must be reported on the county's *Schedule of Expenditures of Federal Awards (SEFA)*. The corresponding grant documentation needs to be forwarded to Tanya Middlemist in Accounting (x8547) in order to properly report the grant funds. In some instances, a new business unit may be required to ensure proper reporting.
- New CFDA numbers will be issued for all new ARRA programs. Please be aware of any CFDA changes, as those will need to be noted for inclusion in the SEFA.
- Under the ARRA, all funds must be reported separately from the original grant. If a division has a recurring grant and additional funds are issued through the ARRA, the ARRA monies must be identified separately from the original grant award.

It is anticipated that the changes will minimally affect the financial reporting for 2009, as much of the stimulus money will not be received until 2010. However, in order to properly report on grant funding, Accounting stresses the importance of implementing the reporting of these funds now in order to reduce confusion and financial misstatements in the following years.

Please be aware of any outside funding assistance the county receives for projects and services. In some instances, federally funded programs have not been reported properly, resulting in comments regarding the oversight from the county's external auditing firm. Any money received from federal or state funding must be reviewed so that proper recognition of grant funds is reported in accordance with the county's financial reporting regulations.

If you have questions or need further information regarding your department's grant funding, please contact Tanya Middlemist at x8547 or Alan Boisvert at x8529. Thank you.