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**To: Chief Fiscal Officers**

**From: Division of Local Government and School Accountability**

**Subject: American Recovery and Reinvestment Act Accounting and Reporting**

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**Please give copies of this bulletin to others who may need this information.**

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The Federal American Recovery and Reinvestment Act (ARRA) of 2009 was signed into law in February 2009. The ARRA contains \$787 billion in new federal spending and tax cuts including approximately \$393 billion for State and local fiscal relief, infrastructure and energy, health and human services, education, and public safety. More than \$26 billion has been allocated to New York State and its political subdivisions.

The ARRA requires an unprecedented level of accountability for the use of all ARRA resources. The federal government will be requiring quarterly ARRA reports from ARRA fund recipients beginning on October 10, 2009. Quarterly reports will not only require ARRA-related financial data, but also other non-financial data, such as the number of jobs created or preserved, tax increases averted, project completion status, total costs of projects (excluding ARRA funds), rationale for the project, and award or program sub-recipient information. Other information may be required as well. Specifics for federal quarterly reporting requirements and additional required reporting metrics will be provided by the federal or State agency that directly provides ARRA funds to the local government.

#### **New Revenue Account Code for School Districts**

School districts that receive ARRA funds will be required to separately identify those funds for each federal program or award, similar to current accounting requirements for federal funds received. Most school districts should be able to track these funds within their current financial accounting framework. The additional reporting metrics required by federal or State agencies may have to be recorded outside of your financial accounting system and may include the number of jobs created or preserved, tax increases averted and award or program information from sub-recipients engaged to help carry out programs involving ARRA funds. School districts will be responsible for collecting required information from sub-recipients and should consider sub-recipient reporting requirements as part of the district's contractual arrangement with the sub-recipient.

The school district annual financial reporting document, the ST-3, will be updated with a new federal revenue code, **4285 – Federal Fiscal Stabilization Grant**.

## General Fund

**A4285 – Federal Fiscal Stabilization Grant** is to be used for all General Fund revenues from ARRA spending provisions (the total amount for this code in the General Fund should equal the total amount listed on the State Education Department’s State Aid website located at [http://stateaid.nysed.gov/budget/html\\_docs/dra\\_restoration.htm](http://stateaid.nysed.gov/budget/html_docs/dra_restoration.htm)). For any revenues associated with ARRA tax provisions, school districts should use the existing **A4289 – Other Federal Aid** and specify the source of aid. The ST-3 will be amended to add a line specifically for interest subsidies received by school districts for Build America Bonds; to be reported as **A4289 – Interest Subsidy for Build America Bonds**.

## Special Aid Fund

**F4285 – Federal Fiscal Stabilization Grant** is to be used for used for Teacher Centers and Mentor Intern programs and will be listed separately. Also, a second line will be added to the ST-3 for revenue code **F4289 – Other Federal Aid** which will be used **only** for ARRA portions of Title I, IDEA and Part D Title II funds, with each type of program revenue listed separately.

## Local Government Reporting

No new revenue or expenditure codes will be developed in the Uniform System of Accounts for ARRA reporting. Local governments should utilize existing codes to account for ARRA funds. For example, counties receiving increased federal reimbursements for Food Stamp Program Administration would continue to record this federal aid in existing revenue account A4611 - Food Stamp Program Administration. However, even though existing account codes will be used, local governments will need to separately identify, through internal means, any ARRA revenue and expenditure activity by federal program or award. This is necessary so that your local government can readily identify and extract financial information for ARRA-related reporting purposes. Most local governments should be able to track these funds within their current financial accounting framework. Please keep in mind that any additional reporting metrics required by federal or State agencies may have to be recorded outside of your financial accounting system and may include the number of jobs created or preserved, tax increases averted, project completion status, total costs of projects (excluding ARRA funds), rationale for the project, and award or program sub-recipient information. Local governments will be responsible for collecting required information from sub-recipients and should consider sub-recipient reporting requirements as part of the contractual arrangement with the sub-recipient.

## Additional Annual Financial Reporting Requirement

The State Comptroller will **not** require similar quarterly reporting to our Office, but will require local governments to report ARRA funds separately as part of the Annual Update Document (AUD) completed annually by each local government. School districts will continue to meet their filing requirements through the ST-3 and any other required filings with the State Education Department.

The AUD (also known as the Annual Financial Report) submitted to our Office will be supplemented by an ARRA supplemental schedule. The AUD will be filed as in the past, with all required statements and schedules for all local government funds in total. The ARRA supplemental schedule will consist **only** of a statement of revenues and expenditures/expenses, and it will **only** include those revenues and expenditures/expenses associated with ARRA funds. No additional balance sheet or additional schedules will be required for ARRA funds. For programs or activities that include revenues from ARRA funds and other State or local sources, only ARRA funds should be reported in the supplemental schedule. All funds and account codes available to your type of local government will be available in the ARRA

supplemental schedule. The ARRA supplemental schedule will be required to be filed with our Office as part of the AUD for all local governments beginning with local governments with a fiscal year end of December 31, 2009. The ARRA supplemental schedule will be sent out with the Electronic Filing Software package and will be filed in the same manner as the AUD. Specific additional electronic filing guidance will be provided later.

**Additional Information**

If you have questions pertaining to this bulletin, please contact the [State Comptroller's regional office](#) that serves your local government. A listing of regional offices is enclosed. If you have questions pertaining to ARRA, please visit the [New York State Recovery website](#) or the [Federal Recovery website](#).

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