



STATE OF MISSISSIPPI
HALEY BARBOUR, GOVERNOR

DEPARTMENT OF FINANCE AND ADMINISTRATION

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EXECUTIVE DIRECTOR

To: State Agency Executive Directors

From: Cille Litchfield, Deputy Executive Director

Date: October 6, 2009

Re: ARRA Reporting Instructions – Memo #1 REVISED

The Department of Finance and Administration (DFA) issued Memorandum No.1 - Reporting Instructions Related to ARRA, in February 2009 to provide instructions for reporting revenues and expenditures related to any and all federal monies received by state agencies under the American Recovery and Reinvestment Act of 2009 (ARRA). This memorandum is revised and reissued to provide additional guidance and direction related to processing ARRA transactions. As previously stated, these procedures will remain in effect as long as funding is available under ARRA for all Statewide Automated Accounting System (SAAS) users.

The Office of Management and Budget (OMB) defines States as "prime recipients" regardless of whether the state agencies receive direct grants or are awarded a grant by another state agency. The State of Mississippi is following OMB's definition and is using the model below to define prime recipients under the State's purview and to identify who is responsible for reporting under Section 1512 of the Act.

Who are the State's Prime Recipients?

- Agencies that process transactions through SAAS
- State Ports (Gulfport and Yellow Creek)
- Board of Institutions of Higher Learning, and
- State Board of Community and Junior Colleges

Who are Non-State Recipients?

- Institutions of Higher Education (Universities and Colleges)
- CAFR Component Units
- Cities and Counties
- Local School Districts
- Municipal and County Ports and Airport Authorities
- Financial Authorities (Development Bank, Business Finance Corp.)
- Mississippi Industries for the Blind, Prison Industries

State Lead Agencies and Sub-Allocated Agencies

- The State is the Prime Recipient when a SAAS state agency (Lead Agency) receives an award directly from a federal agency.

- The State is the Prime Recipient when a SAAS state agency (Lead Agency) awards a grant (sub-allocates) to another state agency.
- As defined in this memo, the State is the State---considered Prime Recipient regardless of whether funds are direct from the federal agency or through another State agency.

What does the State Prime Recipient report?

- The Lead Agency is responsible for reporting under Section 1512.
- Sub-Allocated agencies must provide their data to the Lead Agency.
- The Lead Agency combines the data for itself and all its sub-allocated state agencies to complete the Prime Recipient 1512 reports.
- The Lead Agency must include all sub-recipient (non-SAAS agencies) and vendor data for itself AND its sub-allocated agencies.

What doesn't the State Prime Recipient report?

- Sub-recipients' sub-recipients

SAAS Reporting Categories will be used to capture ARRA funds on a statewide basis as follows:

- The **Lead Agency** must use Reporting Categories beginning with "AR" in the four-character field for tracking direct ARRA revenues and expenditures. The Department of Human Services (DHS) has also been authorized to use Reporting Categories beginning with "AP" for tracking direct ARRA revenues and expenditures for advances to sub-recipients.
- Agencies receiving **ARRA sub-allocations** from another state agency must use Reporting Categories beginning with "RR" for all transactions.
- **Agencies may not use the letters "AR", "AP", or "RR" in the first two characters of the Reporting Category field for any purpose other than ARRA funds. No agency other than DHS is authorized to use Reporting Categories beginning with "AP".**
- Agencies will be required to establish a separate Reporting Category code in SAAS for each federal program under ARRA utilizing the last two digits of the Reporting Category field as either a numeric or alphabetic character (e.g. AROI, ARTI, ARTA, etc.).
- In addition to the Reporting Category, other tracking features, such as Org, Activity, Project, etc., may be used as needed by agencies.
- The Reporting Category **must be** used when processing SPAHRS payroll or travel payments relating to ARRA funds.

Specific procedures regarding the use of Reporting Categories in SAAS and changing accounting distributions or overrides in SPAHRS can be found under the SAAS and SPAHRS Training Materials links on the MMRS website at <http://www.mmrs.state.ms.us>. For assistance in establishing reporting categories in SAAS or making changes to accounting distributions in SPAHRS, please contact the MMRS Call Center at (601) 359-1343 or email the Call Center at mash@dfa.state.ms.us.

Agencies may use an existing 3000 fund or establish a new Special Treasury Fund. If a new fund is requested, the name of the fund should begin with "ARRA". Reporting Categories are still required for all transactions associated with each ARRA program even if a new fund is requested.

Since federal requirements dictate that the State track sub-allocations, DFA is requiring that:

- Agencies distributing ARRA monies as sub-allocations to other state agencies **must** use the new object code **89105** - Transfer of ARRA Federal Grant Funds to Sub-allocated Agencies and use a Reporting Category beginning with "AR".
- The agency receiving the sub-allocation **must** use the new revenue code **44635** – ARRA Federal Sub-Allocation Received from Other Funds and use a Reporting Category beginning with "RR".
- The sub-allocated agency must use a Reporting Category beginning with "RR" on all ARRA related transactions.

Agencies receiving ARRA federal funds should follow standard operating procedures regarding budget escalations. If you have questions regarding budgetary issues, please contact your DFA Budget Analyst at (601) 359-3927.

Information about each ARRA program must be captured for both state and federal reporting. DFA will continue to review the ARRA regulations and will provide more guidance as additional information becomes available.

Thank you for your cooperation and assistance in this matter.