

American Recovery & Reinvestment Act

ARRA Requirements

The Recovery Act requires that there be an unprecedented amount of oversight and transparency around the spending of these funds.

The City has launched a website dedicated to ARRA:

www.recoverysf.org to educate and inform the public on our grant awards, compliance reports, and future reporting needs.

Actual financial activities from FAMIS will be updated regularly on the website.

Recovery Act funds must be clearly distinguished from non-Recovery Act funds. A distinct sub-fund “**ARRA**” must be used in FAMIS to comply with the ARRA accounting and reporting requirements.

Important General Directives

- Given the need to coordinate these activities citywide, grant applications must have approval of the Mayor's Office prior to filing.
- ARRA funds will be appropriated either through the annual budget process or the "accept and expend" process. Copies of award letters and "accept & expend resolutions" must be submitted to the Controller's Office Grants Unit and your Mayor's Office budget analyst to ensure proper set-up in FAMIS and citywide tracking. Tutorials on the accept and expend process and details on grant budget set-ups are available on the intranet at <http://famis.sfgov.org/controllerspolicies>. Refer to slide 12.
- All departments receiving and spending ARRA funds must have strong controls in place to ensure compliance with accounting, contracting, purchasing, reconciliation, and reporting requirements. One important note regarding Recovery Act is that the grant spending must be highly transparent. It is imperative that financial activities, such as revenues, encumbrances, expenditures, available balances, etc. are **promptly and directly** posted to the appropriate ARRA accounts in FAMIS. This is also necessary to comply with the regular reporting on the www.recoverysf.org. Subsequent quality reviews and Single Audits will focus on these requirements.

Contracting & Purchasing Guidelines

OCA is working with the City Attorney to develop standard templates for terms and conditions for bids and contracts using ARRA funds. Prior to these guidelines being established, a requisition or blanket submitted to OCA should: (1) state ARRA as the funding source in the notepad; (2) call or e-mail the buyer in OCA to review the situation.

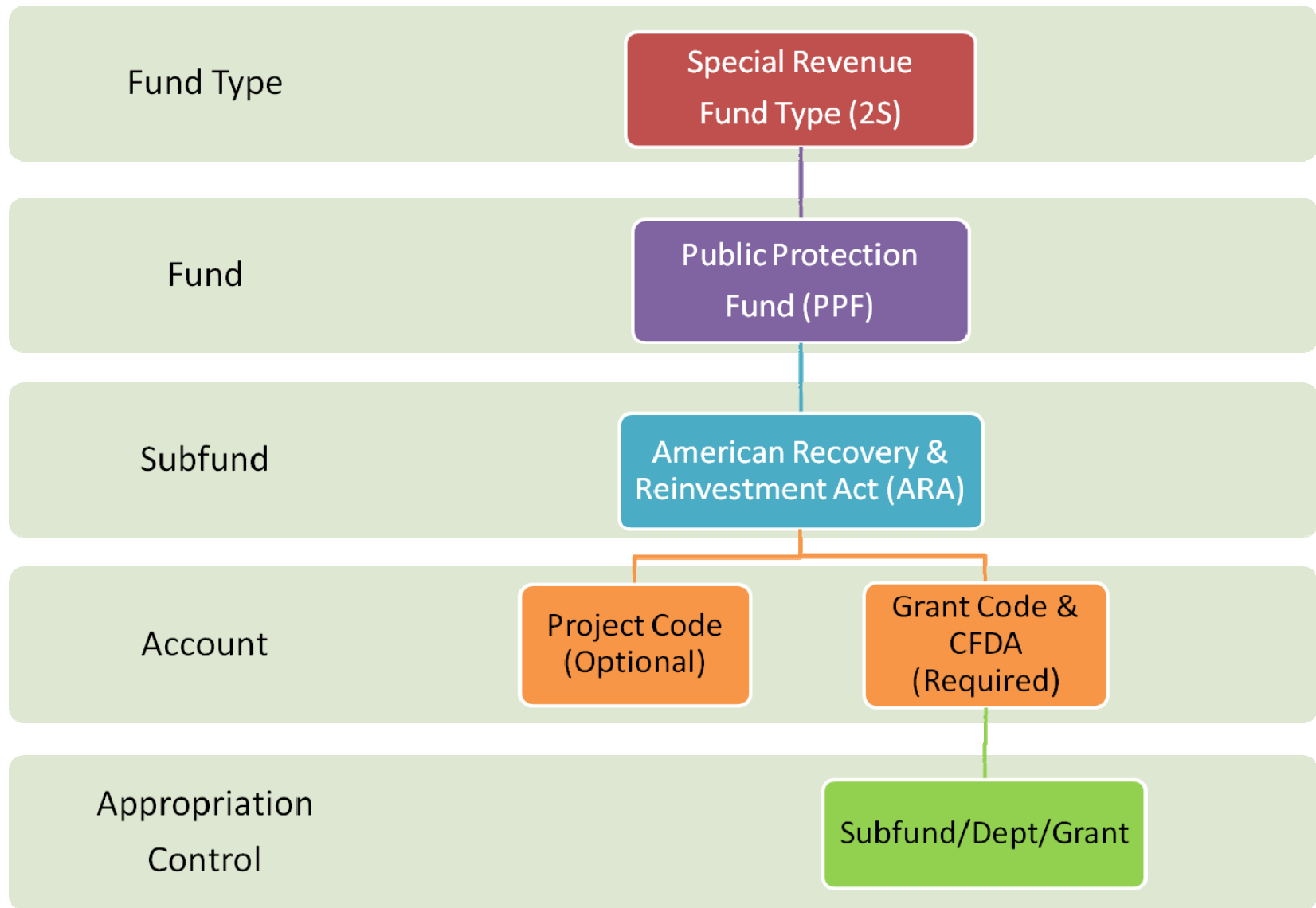
Subfund Set Up

- Proper and standardized account set-up in the City's FAMIS is critical for tracking of ARRA funds. The new sub-fund "ARA" is used for all Recovery Act funding in FAMIS, even for augmentations to existing federal formula grants. Catalog of Federal Domestic Assistance (CFDA) numbers must be included in the account set-up.
- FAMIS accounts for financial activities using funds. Funds under various fund types are separate accounting entities used to track activities segregated for particular purposes. Under each fund, there are different sub-funds.
- Using Police as an example, the subfund "ARA" will be set up under fund type "2S", Special Revenue Fund, and fund "PPF", Public Protection Fund. Since ARRA funds are federal grant awards, grant codes must be set up and CFDA numbers must be recorded in FAMIS.

Subfund Set Up (con't)

- Project code set up is optional for ARRA funding. A special note to departments that may fund projects with ARRA funds: Separate project details are required to record components funded by Recovery Act funds. Using existing project codes for ARRA funds causes difficulties in monitoring, reporting, and close out processes.
- ARRA fund appropriation will be controlled at the Grant level, i.e. expenditures plus encumbrances may not exceed the grant budget.

Subfund Structure – ARRA (American Recovery & Reinvestment Act)



Grant Code Set Up

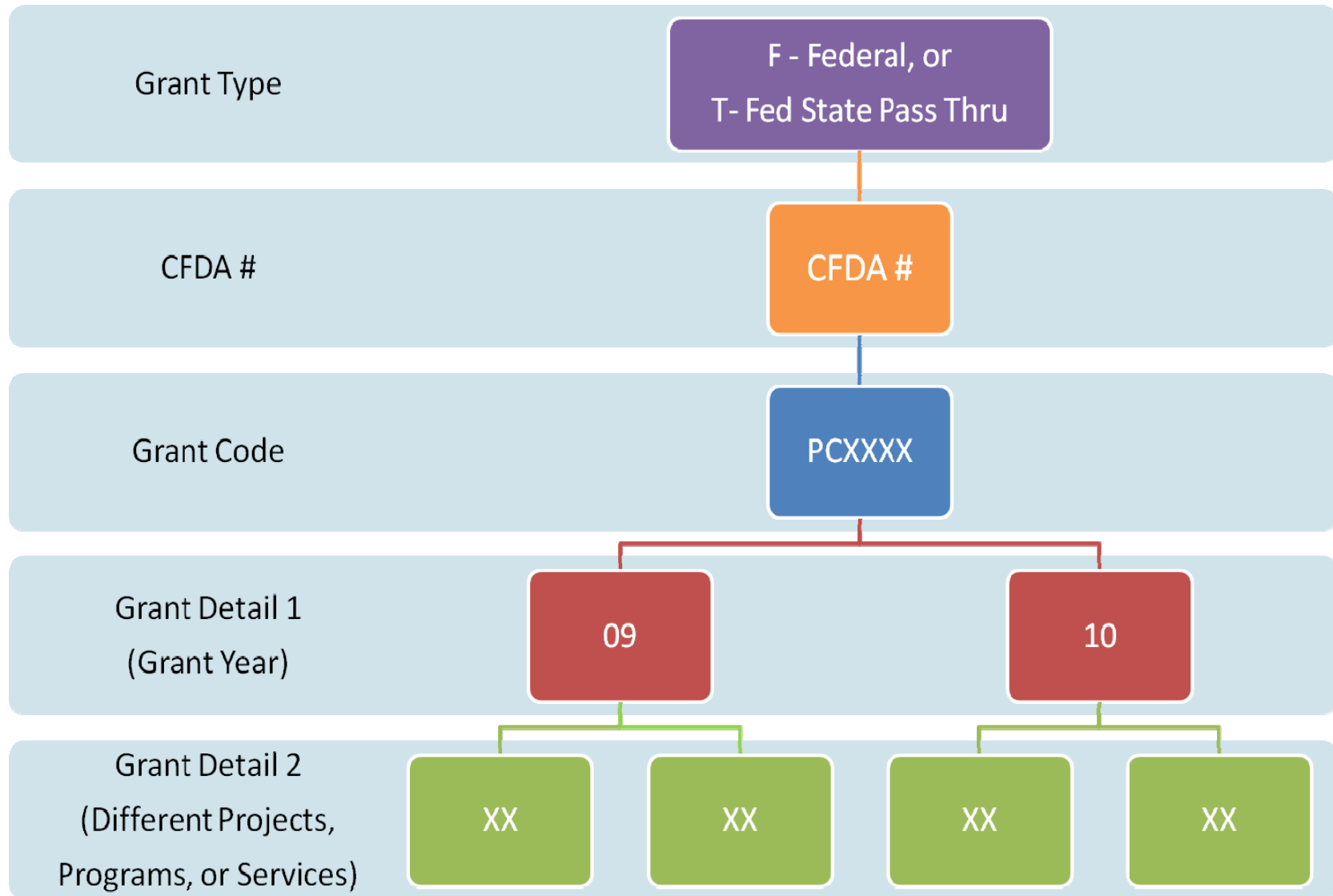
When a department receives an ARRA award, a new grant code must be set up in FAMIS to properly record the revenues and expenditures budget and subsequent activities. To comply with the Federal reporting and auditing requirements, it is critical to code all grant transactions with new and distinct grant codes. A grant code has 6 alphanumeric characters and always starts with the 2-character department code. In the POLICE example, the grant code would start with “PC”.

Grant details under the same grant code are used to track separate grant agreements. They can also be used to track distinctly separate parts of a grant. The first 2 characters of a grant detail is referred to as Grant Detail 1, which should be used to indicate the funding year of the grant contract. In this example, it would be “09”. Grant detail 2, the 3rd and 4th characters of the grant detail, can be used to distinguish different projects, programs or services of the grant agreement.

Grant Code Set Up (con't)

- ARRA funding will be either Federal Direct or Federal Pass-Through which are coded as “F” and “T” respectively in FAMIS.
- CFDA # is required for grant code set up of all Federal grants. It is used for reporting the grant expenditures in the Schedule of Expenditure of Federal Award (SEFA) in the City and County’s Annual Single Audit Report. The number is listed in the grant agreement or obtained from the grantor.
- For more information on grant code structure, please refer to the Grant Code video on the Controller’s intranet.

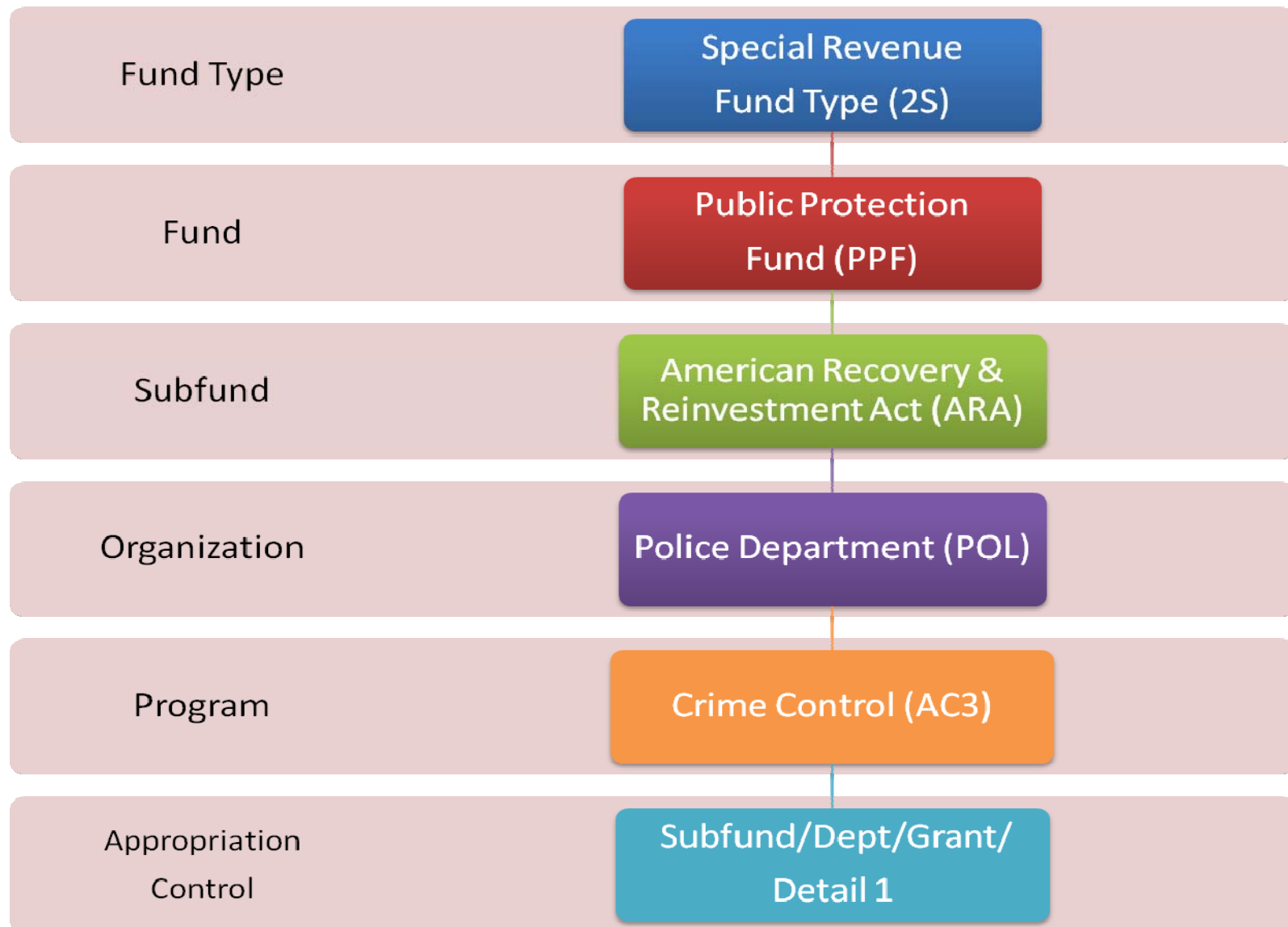
Grant Code Structure – ARRA (American Recovery & Reinvestment Act)



Index Code Set Up

- For accounting transactions to be posted, an index code is needed. It is equivalent to a cost center. Index code is mapped through fund type, fund, sub-fund, department and program in FAMIS. In the POLICE example, the index code will be set up under fund type “2S”, fund “PPF”, sub-fund “ARA”, department “POL” (Police) and program “AC3” (Crime Control).
- If the grant award requires stricter spending control, the appropriation can be set at Grant Detail level. For general information on index code structure, refer to the Index Code video on the Controller’s intranet.

Index Code Structure – ARRA (American Recovery & Reinvestment Act)



Grant Accept & Expend

ARRA funding/grant awards are included either in the Annual Appropriation Ordinance or through the Accept & Expend process. Copies of award letters and “accept & expend resolutions” must be submitted to the Controller’s Office Grants Unit and your Mayor’s Office budget analyst to ensure proper set-up in FAMIS and citywide tracking.

According to San Francisco Administrative Code, all grants must be approved by the Board of Supervisors and the Mayor in the form of an Accept & Expend resolution. For grants funding new positions not included in the Annual Salary Ordinance, an Accept & Expend ordinance is required instead of a resolution.

A video on Grant Accept & Expend is also available on the Controller’s intranet. For Recovery Act grants specifically, ARRA as the funding source must be indicated in the proposed resolution or ordinance.

Grant Budget Set Up

Once the resolution or ordinance is adopted, the grant budget can be added to the department's budget for spending. Sources and uses should be recorded in a singular account in FAMIS, not recorded separately.

Grant Budget Entry video on the Controller's website gives a detailed explanation on how to set up a budget in FAMIS.