

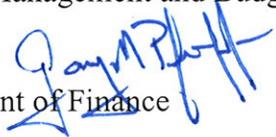


STATE OF DELAWARE

MEMORANDUM

TO: State Agencies
Delaware Technical and Community College
School Districts

FROM: Ann S. Visalli 
Director, Office of Management and Budget

Gary M. Pfeiffer 
Secretary, Department of Finance

DATE: May 5, 2009

SUBJECT: ARRA Expenditure Report and Guidance

The American Recovery and Reinvestment Act (ARRA) provides a substantial amount of resources to state agencies and school districts to administer needed services on behalf of all Delawareans. Along with this opportunity, however comes expected substantial reporting and accountability requirements by the federal government as well as scrutiny by the public. Although reporting requirements have yet to be finalized by federal agencies, the Governor and Lt. Governor are committed to ensuring that ARRA funds are used only for those expenditures of highest priority.

Accordingly, effective immediately all agencies are subject to the following procedures in the expenditure of ARRA funds:

1. ARRA funds must be tracked separately through DFMS and PHRST. In order to ensure compliance with this federal mandate, please request a new State Application Identifier (SAI #) for all ARRA grants including formula grants or grants where additional funding has been automatically allocated. The Office of Management and Budget will be using a slight variation on the SAI # to distinguish it as an ARRA grant.

The SAI # will begin with the letter S as the first digit. In addition, separate appropriations will be set up to further distinguish ARRA grants.

2. All obligations for ARRA funds (with the exception of payroll) must be accomplished through the use of purchase orders. A listing of those programs that are exempted from this requirement are contained in Attachment 1 to this memorandum.
3. All State organizations **shall not** use the State Purchasing Card for ARRA funded program expenditures. All ARRA expenditures must be approved through a Purchase Order.
4. All Purchase Orders falling under this guidance must be clearly marked with and contain the following within the body of the purchase order:
 - a. "ARRA" clearly denoted;
 - b. The specific title of the Federal program for the expenditure is being made; and
 - c. A description of how the funds being obligated by the Purchase Order are to be used.
5. In order to clearly track ARRA funds, agencies shall not make extensive use of EX's in the administration of ARRA funds. Agencies are only to utilize EX documents to correct erroneous transactions.
6. Multiple funding sources can still be used on a single Purchase Order. However, should any the sources be from ARRA funds, the procedures above shall apply.
7. All ARRA purchase orders will be delivered to the Office of Management and Budget for review and approval by the Office of Management and Budget and the Lt. Governor's Office.
8. In order to provide transparency in spending ARRA funds, monthly expenditure reporting for all ARRA programs will be required be submitted. Forms are to be completed by ARRA program applicants for all ARRA programs. Blank spreadsheets and additional guidance will be emailed to agency ARRA contacts by May 15. The first expenditure reports are due June 15 and are to be emailed to **OMB_ARRAreports@state.de.us**. Expenditure reports will be posted to the delaware.recovery.gov website. Please note that this form and format is subject to change in the future based on expected guidance from the federal government.

Should you have any questions regarding this please contact Robert Scoglietti of the Office of Management and Budget at 302-739-4206.

Attachment 1

Programs exempted from the Purchase Order requirement:

- Medicaid
- COPS
- Child Care
- TEFAP
- SNAP Benefits
- TANF
- Fiscal Stabilization (Flexible)
- Crime Victims Compensation
- Americorps
- Emergency Food&Shelter
- Older Blind
- DelDOT Capital Grants
- Transit Capital Grants