



North Carolina Department of Health and Human Services Office of the Controller

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Memorandum 2010-02

To: Division Directors
Division Budget Officers
ARRA Primary Contacts

From: Laketha M. Miller *Laketha M. Miller*

Subject: American Recovery and Reinvestment Act Quarterly Reporting

Date: September 23, 2009

Section 1512 of the American Recovery and Reinvestment Act (ARRA) outlines the quarterly reporting requirements for ARRA funding. DHHS divisions with 1512 reporting requirements have met with the Division of Budget and Analysis and the Controller's Office to review those requirements. Detailed information to be provided includes:

- Total amount of funds received and the amount spent on projects and activities
- A list of those projects and activities funded by name to include:
 1. Description
 2. Completion Status
 3. Estimates on jobs created or retained
- Details on sub-awards and other payments.

Reports will be due no later than the 10th calendar day after the end of each quarter beginning with the quarter ending September 30, 2009. This provides a challenge to the Department because the current State requirement stipulates that divisions certify monthly financials by the 10th working (not calendar) day of the month. Thus, in all likelihood, ARRA reporting will have occurred before official financial reports are available.

Certified financial reports serve as the basis for preparing reports that reflect the Department's financial position. As such, all ARRA financial reporting must agree with the NCAS as certified at month end. In order to achieve the Federal deadline and maintain the integrity of what is reported, the Department will implement controls to verify the dollars included in the 1512 reports.

American Recovery and Reinvestment Act Quarterly Reporting

In order to facilitate meeting the 10th day deadline, no adjustments to ARRA funds will be allowed after the last day of the month at quarter end. Any adjustments discovered after that date have to be processed in the subsequent month. (The only exception to this rule is if the division is cost allocating any of the pertinent ARRA funds. To date, all ARRA funds in the 1512 category have been direct charged. However, if cost allocation is used and cost has not injected by the 10th day, the allocated dollars will be an adjustment to be made during the 11th to 20th period for review as discussed below.)

After month end cut off date, divisions and/or sub-recipients can commence with entering data. The DHHS Controller's Office, in conjunction with the Office of the State Controller, has developed a financial report that will assist the divisions in preparing the ARRA reports. The report will sort expenditures by the ARRA Federal Reimbursement Code (FRC), company, and vendor. **The report name is ARRA 1512.** In XTND, the location is in the WHA library. Division ARRA Primary Contacts will receive additional information on this report before the end of this month.

As stated earlier, the financial data has to be completely entered, verified and uploaded into the Federal system by or on the 10th day. The Primary ARRA Contact for each division should certify via email to Scarlett Edwards, Federal Funds/Financial Reporting Branch Head, that data has been entered into the Federal system and is ready for review by the DHHS Controller's Office.

Subsequently from the 11th to the 20th day of the month, the DHHS Controller's Office will verify that the dollars in the 1512 reports agree with those in NCAS. The Program/Benefit Payments Section will review detail by vendor and sub-recipient and the Federal Funds/Financial Reporting Branch will verify 1512 report totals to NCAS. Divisions will be contacted if a discrepancy is discovered. Cost allocation activity that occurred after the upload will be treated as an adjustment at this point. The DHHS Controller's Office will send an email to the Division ARRA Primary Contact when the review has been completed and all data verified to NCAS.

We believe that if each area involved in 1512 reporting adheres to deadlines that the Department will be successful with this challenge. Please contact Curtis Crouch of my staff at (919)855-3693 if you have concerns or questions.

cc: Lanier M. Cansler
Allen Feezor
Dan Stewart
Maria F. Spaulding