

AMERICAN RECOVERY AND
REINVESTMENT ACT OF 2009

LOCAL EDUCATION AGENCY
REPORTING REQUIREMENTS
AND INSTRUCTIONS

(September 2009, Revision #1)

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American Recovery and Reinvestment Act of 2009 (ARRA) Local Education Agency Reporting Requirements

GENERAL INSTRUCTIONS (September, 2009 Revision 1)

Reporting Overview

The following information provides guidance to local education agencies (LEAs) for carrying out the reporting requirements included in Section 1512 of the American Recovery and Reinvestment Act of 2009 (ARRA). The reports required under Section 1512 of the Act will be submitted by LEAs beginning with the quarterly period ending September 30, 2009 and will contain detailed information on ARRA projects. These reports will provide the public with an unprecedented level of transparency into how Federal dollars are being spent and will help drive accountability for the timely, prudent, and effective spending of ARRA dollars. Detailed guidance on reporting requirements can be accessed at http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-21.pdf

Reporting Timelines

Section 1512 of ARRA requires reports on the use of ARRA funding by each agency that awards ARRA funds (e.g. ISBE) no later than the 10th day after the end of each calendar quarter beginning with the quarter ending September 30, 2009. Due to the short timeline, LEAs will need to transmit ARRA data within 5 calendar days to ISBE from the end of each quarter so that the 10 day submission requirement is met. Reports not submitted on or before the 5 day calendar deadline will result in a freeze of future scheduled payments for the respective ARRA program.

ARRA reports are aimed at providing transparency into the use of these funds and must include the following detailed information:

- D-U-N-S Number. Once entered and verified on the initial report, ISBE will pre-populate the D-U-N-S number in subsequent quarterly reports;
- Total amount of funds expended on approved ARRA projects and activities;
- The number of jobs created or retained;
- Details on sub-awards and other payments made to a vendors over and under \$25,000 (see definition of a vendor below)

All data contained in each quarterly LEA expenditure report will be cumulative or year to date in order to encompass the total amount of funds expended to date. Each LEA must report ARRA information by fiscal year. The State Board will combine the data for all fiscal years and submit a total cumulative report to the federal government each quarter.

This means that LEAs that received ARRA funds in FY 2009 will report expenditures and required ARRA data from the beginning of the ARRA grant through the period ending June 30, 2009. LEAs that received funds in FY 2010 will report cumulative expenditures and required ARRA data from July 1 or the beginning date thereafter of each ARRA grant through the periods ending September 30, 2009, December 31, 2009, March 31, 2010 and June 30, 2010 respectively. The State Board will combine all ARRA data for FY 2009 and FY 2010 for each LEA when reports are submitted by the Board to the federalreporting.gov site.

LEA Reporting

An LEA is a non-Federal entity that expends Federal awards received from another entity to carry out a Federal program but does not include an individual who is a beneficiary of such a program.

Specifically, LEAs are non-Federal entities (e.g. school districts, regional offices of education, joint agreements etc.) that are awarded ARRA funding through a State agency to support substantive project or program ARRA activities.

Data Universal Number System (D-U-N-S) Number - Required

Each LEA must have and report their unique 9-digit D-U-N-S identification number on ARRA reports. Once reported and verified, ISBE will pre-populate this number in subsequent ARRA quarterly reports.

What is a D-U-N-S number and who provides it?

Dun & Bradstreet (D&B) maintains a business database of information on businesses worldwide. D&B provides a D-U-N-S number for each physical location of a business organization (i.e. location of central office of the district or administration office of a local education agency). The D-U-N-S number assignment is free for all entities required to register with the U.S. federal government for contracts or grants.

Most school districts already have a D-U-N-S number. Please check with your business office to ensure that your district has this number. If the district does not have a D-U-N-S number, please register at <http://www.dnb.com>.

CCR Registration - Required

Each LEA must register with the Central Contractor Registration (CCR) site. CCR is the primary registrant database for the U.S. Federal Government. CCR collects, validates, stores and disseminates data in support of agency acquisition missions. There is no cost to registrants. You must secure a D-U-N-S number prior to registering with CCR. Additional information is available at <https://www.bpn.gov/ccr/default.aspx>

Vendor Information - Required

If a LEA awards ARRA funds greater than \$25,000 to a vendor for services needed to carry out the project or program, the LEA must report the identity of the vendor by reporting the vendor's D-U-N-S number, if available, or otherwise the name and zip code of the vendor's headquarters.

Vendors are not required to obtain a D-U-N-S number.

A **vendor** is defined as a dealer, distributor, merchant or other seller providing goods or services that are required for the conduct of a Federal program. LEAs may purchase goods or services needed to carry out the project or program from vendors. Vendors are not awarded funds by the same means as LEAs and are not subject to the terms and conditions of the Federal financial assistance award.

The characteristics of a vendor that make it distinct from a LEA are summarized below. A vendor:

- (1) Provides the goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;
- (3) Operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the Federal program; and
- (5) Is not subject to compliance requirements of the Federal program.

ARRA REPORTING VARIABLES

Expenditures – General Guidelines

Each LEA must report all direct expenditures and obligations for each quarterly reporting period. Expenditures must be reported in accordance with Part 100 regulations (Requirements for Accounting, Budgeting, Financial Reporting, and Auditing) which were adopted to account for ARRA revenues and can be accessed at:

http://www.isbe.net/rules/archive/pdfs/23IAC100EmergAmnd_Code.pdf

In addition to direct expenditures, LEAs may report outstanding obligations for each quarterly reporting period. An outstanding obligation is any debt for which funds were requested (encumbered) prior to the end of the quarterly reporting period and is expected to be paid within 90 days. Salaries and benefits may not be obligated on the quarterly reports and can only be reported as obligated on the completion report (i.e. normally June 30 or the end date assigned to the project).

The following table shows when an obligation exists:

If the obligation is for:	The obligation is made:
a.) acquisition of real or personal property.	-on the date on which a written commitment to acquire the property has been made.
b) personal services by an employee.	-when the service has been performed.
c) personal services by a contractor (not an employee).	-on the date on which a binding written commitment to obtain the services has been made.
d) performance of work other than a personal service.	-on the date on which a binding written commitment to obtain the work has been made.
e) public utility service.	-when the service is received.
f) travel.	-when the travel is taken.
g) rental of real or personal property.	-when the property is used.
h) a pre-agreement cost that was properly approved by the State.	-when the pre-agreement costs were approved by the State.

Jobs Created and Retained

Definitions

- A job “created” is a ***new position*** created and filled, or an existing unfilled position that is filled as a result of ARRA funds. A job may be counted regardless of whether or not the employee filling the position is paid for with ARRA funds as long as the job would not have been created or retained in the absence of the ARRA funding (i.e., ARRA funds are either being used to pay the employee or the availability of ARRA funds for other purposes is freeing up funds that are being used to pay the employee)
- A job “retained” is ***an existing position that would not have been continued in the absence of ARRA funding***. For example, if your pre-ARRA budget indicated that you had planned to eliminate two teaching positions, but after ARRA, those positions were restored and are now being paid from ARRA funds, then they should be counted as jobs retained.
- LEAs ***should report*** “direct jobs” as created or retained. Direct jobs include employees who are paid directly using ARRA funds, jobs that are charged to a project/activity funded by ARRA funds, and jobs that are attributable to ARRA funds (e.g., a job that would not have been retained or created and filled were it not for ARRA funds).

A direct job does not need to be paid for with ARRA funds as long as the position has been filled as a result of ARRA funding.

Individuals employed by vendors should also be included as direct jobs if those individuals are providing direct support to an ARRA project, e.g.,

- i.) a vendor with a contract supported by ARRA funds that has employees who are charged to the project;
 - ii.) a new ARRA-funded contract that is supporting teacher trainer jobs to provide professional development or an existing technical assistance vendor that has received additional ARRA funding to hire additional employees to work on the contract.
- LEAs ***should not report*** “indirect jobs” as created or retained. Indirect jobs would include employees that provide critical indirect support (e.g., clerical/ administrative staff preparing reports, institutional review board staff members, departmental administrators) but they are NOT counted as jobs created/retained unless they are charged directly to ARRA projects.

Individuals employed by vendors that are providing materials, equipment, or supplies should NOT typically be included in job counts, with the possible exception of a contract for materials, equipment or supplies that has a discernible jobs impact on the vendor (e.g., a custom or very large order for which jobs are created /retained to service the order).

- A job cannot be counted as both created and retained.

FTE – Full Time Equivalency

Jobs must be expressed as FTEs. The calculation of FTE is designed to avoid overstating the equivalent number of other than full-time, permanent jobs. It converts part-time or temporary jobs into “full-time equivalent” jobs.

The correct calculation of FTEs is total hours worked during the quarter or reporting period divided by the total number of hours in a full-time schedule. A full-time schedule may vary from one organization to another: some organizations have 37.50 hours per week; others have 40.00 hours, etc. The figure should be reflected to two decimal places.

The number reported should represent a reasonable average of FTE’s created and retained for the quarter. Such an estimate would ideally be done by taking FTE’s for each pay period in the quarter and averaging them. It could also be done at a single point in time, as long as care is taken that the single point is representative of the quarter for the position.

Example:

- Assume that the LEA is preparing its first quarterly report and that the LEA’s ARRA funded work required two full-time employees and one part-time employee that worked half days for the quarter.
- Also assume that the LEA’s full-time schedule for the quarter is 520 hours (2080 hours in a work-year divided by 4). FTEs are calculated as follows:

	<u>Quarter Ended</u> <u>June 30, 2009</u>
Full-time employee #1	520
Full-time employee #2	520
Part-time employee	260
Temporary employee	0
Total hours worked	1300
Full-time hours	520
Quarterly FTEs (1300/520)	2.50

- In this example, full-time hours worked (520 hrs x 2 employees = 1040 hrs) + part-time hours worked (260 hrs) ÷ number of hours in a full-time schedule for the quarter (520 hrs) = 2.5 FTE reported on the first quarterly report.
- Because jobs are reported cumulatively each quarter, this same number of FTE would be reported for the second quarter only if the same number of employees worked the same number of hours.

Reporting is cumulative across the project lifecycle, and will not reset at the beginning of each calendar or fiscal year. In the example above, the 2.5 FTE reported in the first quarterly report will stay the same through the project lifecycle, assuming the same number of employees work the same number of hours. The total hours reported may include paid leave.

Job Created/Retained

Choose the radio button for either jobs created or retained.

Month/Year

Choose the month and the year that the job was created.

Expenditures - ARRA General State Aid

Illinois, in accordance with its application approved by Department of Education, utilized the Education and Other Government Services component of the State Fiscal Stabilization Fund (SFSF) to distribute the remaining five General State Aid (GSA) payments in FY09 and for select payments in FY10, in an effort to minimize the possible impact of the State's current fiscal deficit upon payments of GSA to Illinois school districts.

Subject to the limited statutory prohibitions described below, section 14003(a) of the ARRA authorizes a LEA to use SFSF funds for any activity that is authorized under the following Federal education acts:

- The Elementary and Secondary Education Act of 1965 (ESEA);
- The Individuals with Disabilities Education Act (IDEA);
- The Adult Education and Family Literacy Act (AEFLA); or
- The Carl D. Perkins Career and Technical Education Act of 2006 (Perkins Act).

The ARRA also provides that, to the extent consistent with State law, a LEA may use SFSF funds for modernization, renovation, or repair of public school facilities, including modernization, renovation, and repairs that are consistent with a recognized green building rating system.

LEAs have considerable flexibility in determining how best to use SFSF funds. As stated previously, a LEA may use these funds for, among other things, activities that are authorized under the ESEA. Because the ESEA includes the broad Impact Aid authority per Title VIII of the ESEA, a LEA may use SFSF funds for activities that would be allowable under Impact Aid. This flexibility applies to all LEAs that receive SFSF funds, and is not limited to those LEAs that also receive Impact Aid funds. **Most funds that are awarded under Impact Aid are considered to be general aid to LEAs.** Thus, under the Impact Aid authority, a LEA may use Education Stabilization funds for educational purposes consistent with State and local requirements, subject to ARRA and other applicable Federal requirements, limited to the expenditure prohibitions provided below.

Because a LEA may consider SFSF funds to be available for any activity authorized under Impact Aid, the funds may be used to support both current expenditures and other expenses such as capital expenditures. Among other things, the SFSF funds may be used for activities such as:

- paying the salaries and benefits of administrators, teachers, and support staff;
- purchasing textbooks, computers, and other equipment;
- supporting programs designed to address the educational needs of children at risk of academic failure, limited English proficient students, children with disabilities, and gifted students; and
- meeting the general expenses of the LEA.

If a LEA uses SFSF funds for modernization, renovation, or repair of public school facilities or for construction of new school facilities, the LEA must comply with specific requirements relating to the use of American iron, steel, and manufactured goods used in the project.

Expenditures - SFSF Prohibitions

SFSF funds *may not be expended* for:

- Payment of maintenance costs;
Please note that the 2003 federal handbook defines “maintenance of buildings” as “activities associated with keeping buildings at an acceptable level of efficiency through repairs and preventative maintenance.” Expenses associated with maintenance of buildings are not acceptable under ARRA General State Aid funds.

Examples of maintenance costs **not acceptable** under ARRA SFSF General State Aid funds include expenditures such as window replacement, roof repair/replacement, electrical repair and maintenance personnel, painting and tuck pointing.

Examples of maintenance costs **acceptable** under ARRA SFSF General State Aid funds include activities concerned with keeping the physical plant clean and ready for daily use. This includes operating lighting and HVAC systems and doing minor repairs. Also included are the costs of building rental and property insurance. These expenditures **are acceptable** under ARRA General State Aid funds. Examples of acceptable operational expenditures for ARRA General State Aid funds include janitorial services, janitorial salaries and utilities.

- Stadiums or other facilities used for athletic contests, exhibitions or other events for which admission is charged to the general public;
- Purchase or upgrade of vehicles;
- Improvements of stand-alone facilities whose purpose is not the education of children – such as central office administrative buildings;
- Financial assistance to students to attend private elementary or secondary schools unless the funds are used to provide special education and related services to children with disabilities as authorized by the IDEA Act;
- School modernization, renovation, or repair that is inconsistent with State Law.

Compliance/Monitoring Review

All ARRA activities are subject to an audit at the local, state and federal level. A compliance review will be conducted to ensure that all ARRA funds are properly accounted for and expended in accordance with program guidelines. The following general guidelines should be followed to ensure adequate ARRA documentation:

1. receipts were received, properly segregated and recorded per Part 100;
2. expenditures are supported by fund, function, object and ARRA revenue account code.
3. confirmation that payments were actually made to vendors, contractors and employees and that they conform to applicable laws and regulations, including procurement requirements;
4. complete and accurate payroll records for agency staff involved with the program or project are retained including:
 - official time and effort worksheets for program-related employees,
 - salary rates match to personnel records for program-related employees,
 - verification that salaries and benefits of employees chargeable to more than one program are correctly allocated and supported by appropriate time distribution records with no overlap of reimbursement between programs;
5. refunds, discounts, etc., were properly credited to specific expense classifications as reductions of the gross expenditure;
6. payments are supported by adequate evidence of the delivery of goods or performance of services;
7. obligations included in the quarterly report of expenditures were actually incurred during the budget quarter for which the expenditures were claimed and upon liquidation were properly adjusted;
8. the same item is not reported as an expenditure for two or more years, e.g., encumbrance is one year and payment in another;
9. all expenditures that were claimed were made for the approved project and are easily identifiable with this project;
10. all inventory items have been allocated an inventory number and the number has been plainly affixed on each piece of equipment and plainly labeled;
11. an inventory register has been maintained of those items required to be inventoried which shows: description, serial number or other identification number, acquisition date and cost, location, use and condition of property;
12. inventory items moved from one location to another have been duly authorized in writing and that the transfer has been recorded in the inventory register, and each item of equipment purchased was listed in the approved budget breakdown and is being used solely for authorized purposes;
13. prorated expenditures, such as salaries (supported by time and effort documentation), travel, etc., are divided correctly between two or more accounts and that the basis of such division can be substantiated as reasonable and equitable (the auditor will compare actual expenditures with the approved budget and note variations); and,
14. sufficient internal controls are in place to ensure that jobs created, retained and full-time equivalency data are not double counted and reported between multiple programs.

CUSTOMIZED PROGRAM SECTION – ARRA REPORTING DETAILED INSTRUCTIONS

D-U-N-S Number - Entry and Verification

Enter and re-verify the nine-digit D-U-N-S number for your local education agency.

SECTION I - Jobs Created and Retained

Category

Select the occupation category from the drop down box that most closely matches the job created or retained.

Job Title

Select the job title from the drop down box that most closely matches the job category chosen.

FTE – Full Time Equivalency

Enter the FTE for each unique category and job title. The FTE is calculated as total hours worked divided by the number of hours in a full-time schedule. The figure should be reflected to two decimal places (Example: 2.50).

Month/Year

Enter the Month/Year for each Job Created. Month/Year is not required for a Job Retained.

SECTION II – Subcontract Award Information

Subcontracts made to vendors of \$25,000 or More

D-U-N-S Number – **Optional but Preferred:** Enter the vendor D-U-N-S number if known.

Vendor Name and Zip Code – **Required:** Enter the vendor name and zip code of the vendor headquarters.

Sub-award Number – **Required:** Enter the contract or other identifying number assigned to the vendor subcontract.

Product and Service Description – **Optional:** Enter a brief description of the product or service provided by the vendor.

Subcontract Amount – **Optional:** Enter the amount of the subcontract awarded by the LEA to the vendor. Example: Report a contract that you only paid \$15,000 on this quarter, but that has an expected value of \$30,000 over the life of the contract.

Subcontracts made to vendors less than \$25,000 – Aggregated

Number of subcontracts – Enter the number of subcontracts issued to vendors that were under \$25,000 each.

Aggregate Amount – Enter the aggregate total of all subcontracts issued to vendors that were less than \$25,000. Example: Aggregate two different awards of \$15,000 each to the same vendor.