



IHL
MISSISSIPPI
BOARD OF TRUSTEES
OF STATE INSTITUTIONS
OF HIGHER LEARNING



*Board of Trustees
State Institutions of Higher Learning*



***American Recovery
and Reinvestment Act
(ARRA) of 2009***

July 21, 2009 Workshop

Cheryl Mowdy, Director Support Operations

July 21, 2009



Agenda



- **ARRA**
 - Definition
 - Overview of Funding
 - Guiding Principles
- **State Fiscal Stabilization Funds**
 - Components
 - Allowable/Unallowable Uses
 - Procedures
 - Reporting

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Agenda



- **Audit/Compliance**
- **Other ARRA Funds** (*awarded directly to institution or via a pass-through entity*)
- **Resources**
- **Executive Office Contact Information**

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What is ARRA?



On February 17, 2009, President Obama signed into law the *American Recovery and Reinvestment Act of 2009*, P.L. 111-5 known as ARRA

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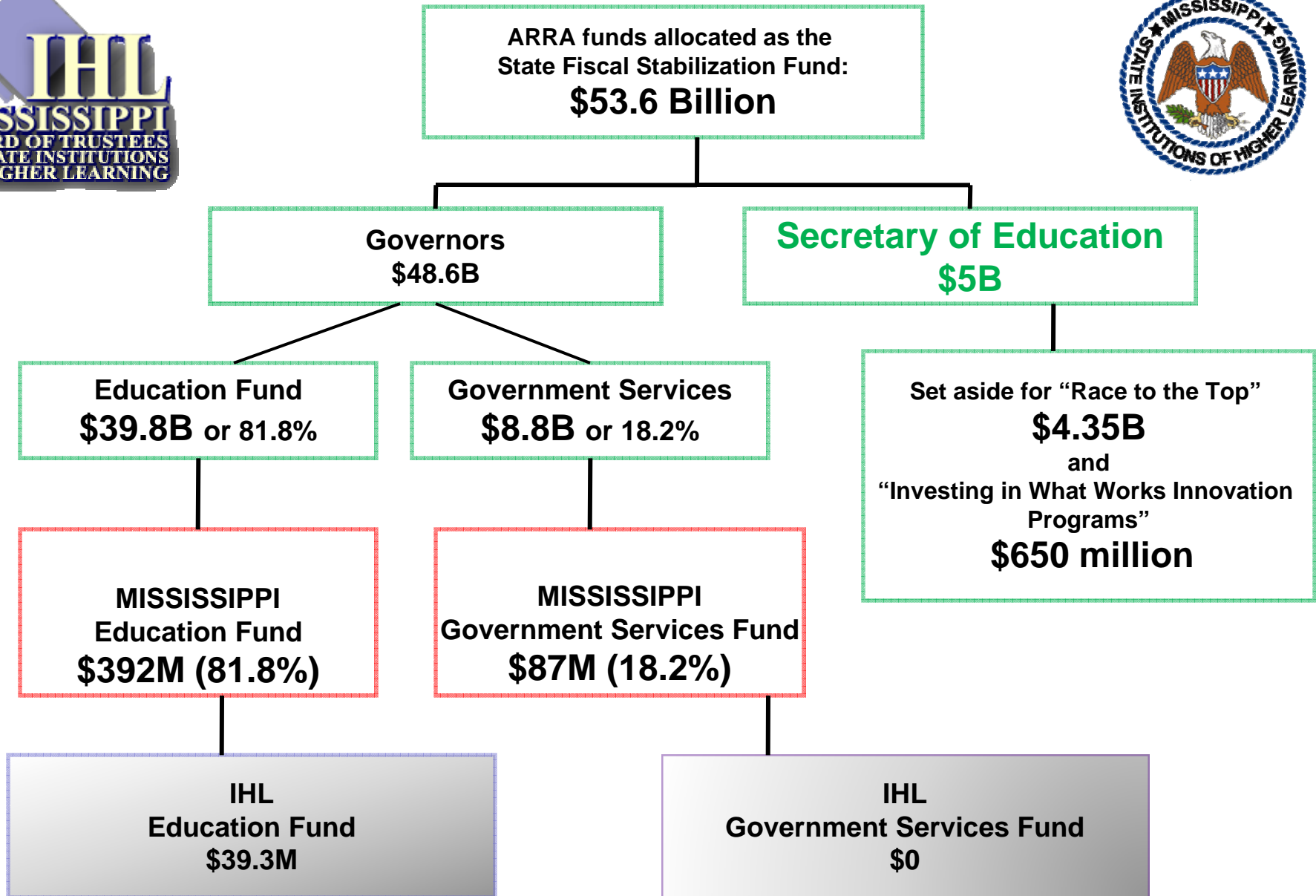
Overview of Funding



Economic Stimulus Package = \$787 Billion

Total ARRA allocated through a combination of grants, credits, rebates and incentives

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ARRA

Guiding Principles



- 1. Spend funds quickly to save jobs**
- 2. Improve student achievement through school improvement and reform**
- 3. Ensure transparency and accountability and report publicly on the use of funds**
- 4. Invest one-time ARRA funds thoughtfully to minimize the “funding cliff”**

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Award Terms



Standard Award Terms: 2 CFR Part 176

Link is available on IHL's Stimulus home page under "Regulations":

<http://www.ihl.state.ms.us/stimulus/>

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What is the State Fiscal Stabilization Fund Program?



Award: Formula grant awarded by U.S. Department of Education to Governors

Purpose: Help stabilize State and local budgets to minimize or avoid reductions in education and other essential services

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KEY OBJECTIVES FOR SFSF



- 1. Create or save jobs**
- 2. Mitigate need for increases in tuition and fees for in-state students**

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Two Components of SFSF



1. Education Stabilization Fund (CFDA No. 84.394)

- **Mississippi's allocation =
\$392,067,945**
- **IHL's allocation = \$39,298,582
(Fiscal Years 2009 & 2010)**

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Two Components of SFSF



2. Government Services Fund (CFDA No. 84.397)

- **Mississippi's allocation =
\$87,232,721**
- **IHL's allocation = \$0**

**This component is for public safety and other
Government Services. Community & Jr. Colleges are
funded from this component.**



SFSF FLOW OF FUNDS



U.S. Department of Education
= Funding Agency



Governor via MS Department Finance & Administration
= Prime Recipient



Institutions via IHL Executive Office
= Sub Recipient



Allowable Uses for SFSF



- 1. Education and General expenditures to mitigate need to raise tuition and fees for in-State residents**
- 2. Modernization, renovation, repair of facilities primarily used for instruction, research, or student housing**

NOTE: Section 1602 of ARRA includes a preference for quick-start activities.

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Examples of Allowable Uses for SFSF



- **Salaries - classroom and laboratory instruction and instructional technology**
- **Academic support - libraries, laboratories, and other academic facilities**



Examples of Allowable Uses for SFSF



- **General Institutional Support - personnel, payroll, security, environmental health and safety, and administrative offices**
- **Student Services - activities promoting emotional and physical well-being**
- **Student financial aid - institutional grants and scholarships**

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Unallowable Uses of SFSF



- **Increasing endowment**
- **Maintenance of systems, equipment or facilities**
- **Modernization, renovation or repair of facilities such as -**
 - **Stadiums/athletic events or where admission charged to general public**
 - **Sectarian instruction or religious worship**

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Unallowable Uses of SFSF



- **Gaming activities, aquarium, zoo, golf course, swimming pool**
- **New Construction**
- **Restoring or supplementing a “rainy day” fund**

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OTHER ARRA Requirements



Recipients agree to reporting/registration requirements of Section 1512 of ARRA in accordance with 2 CFR 176.50, if applicable:

- Complete projects or activities funded under ARRA and report on use of funds so information can be made available to public.
- Reports due no later than ten calendar days after calendar quarter in which recipient receives an assistance award funded in whole or in part by ARRA.



OTHER ARRA Requirements



- **Recipients and first-tier recipients must maintain current registrations in the Central Contractor Registration (www.ccr.gov)**
- **Recipients shall report information described in section 1512 (c) of the Recovery Act**



OTHER ARRA Requirements



- **Must use American iron and steel for project construction (see section 1605 of the Act)**
- **Must pay contractors or subcontractors the prevailing wage under Davis Bacon**



PROCEDURES FOR REQUESTING SFSF

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FIRST STEPS



- 1. The Governor's Office is requiring that each institution submit an application for SFSF**
- 2. Institutions must file a Certification Form (MS Department Finance & Administration)**
- 3. Each institution shall designate an official point of contact for ARRA**

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FIRST STEPS



- 4. Each institution shall submit a written plan explaining its planned use for SFSF with emphasis on saving or creating jobs and mitigating increases in tuition and in-state fees**
 - Templates to capture 1 through 4 will be emailed from the IHL Executive Office to the Presidents/Chancellor with copies to the Chief Financial Officers**
 - Completed documents are to be sent to the Executive Office (Attention: Cheryl Mowdy) prior to reimbursements of SFSF being released**

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RECOMMENDATIONS



- 1. SFSF expenses and revenue *must be* segregated from other funds and should be administered as externally funded grant**
- 2. Rely on your sponsored programs or grants accounting offices**
- 3. Establish a unique account or fund to track SFSF to avoid journal entries after the fact**



REQUESTING FUNDS



- **Cost Reimbursement (monthly basis)**
- **Required template for reimbursement request (will be available via our website)**

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Mississippi Board of Trustees of State Institutions of Higher Learning
STATE FISCAL STABILIZATION FUNDS (SFSF)
Reimbursement Request Form

Date: _____ Reporting Period: _____ To _____
Institution Name: _____ D-U-N-S Number: _____
(9-digit identification number)

Category	Budget	Current Expenses for which Reimbursement Requested	Cumulative Expenses Reported for 2009-2010 FY	Remaining Balance
Salaries (Identify number of positions: _____)				\$0.00
Wages (Identify number of positions: _____)				0.00
Fringe Benefits				0.00
Total Salaries, Wages, and Fringe Benefits	0.00	0.00	0.00	0.00
Travel and Subsistence	0.00	0.00	0.00	0.00
Contractual Services				
Professional Fees & Services				0.00
Student Financial Aid/Scholarships				0.00
Computer Software Acquisitions				0.00
Other: _____				0.00
Other Contractual Services				0.00
Total Contractual Services	0.00	0.00	0.00	0.00
Commodities				
Laboratory and Testing Supplies				0.00
Instructional Supplies				0.00
Other Professional and Scientific Supplies				0.00
Other: _____				0.00
Other Commodities				0.00
Total Commodities	0.00	0.00	0.00	0.00
Total	\$0.00	\$0.00	\$0.00	\$0.00

Total Reimbursement Requested: _____ \$0.00

General Statement regarding SFSF Purchases/Expenditures Reported

I do hereby certify that all purchases and expenditures submitted as reimbursement for the reporting period referenced above are true and correct; were made in accordance with my institution's written plan for use of State Fiscal Stabilization Funds; goods sold or services rendered have been delivered or performed in good order; and were made in accordance with all federal and state statutory and regulatory requirements, including ARRA specific requirements.

REQUIRED SIGNATURE APPROVALS:

Insert Preparer's Name, Title, and Phone Number

Insert Chief Financial Officer's Name

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REQUESTING FUNDS (CONTINUED)



- **CFO must sign request**
- **Copy of detailed general ledger must be attached to request**

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Accountability/ Transparency

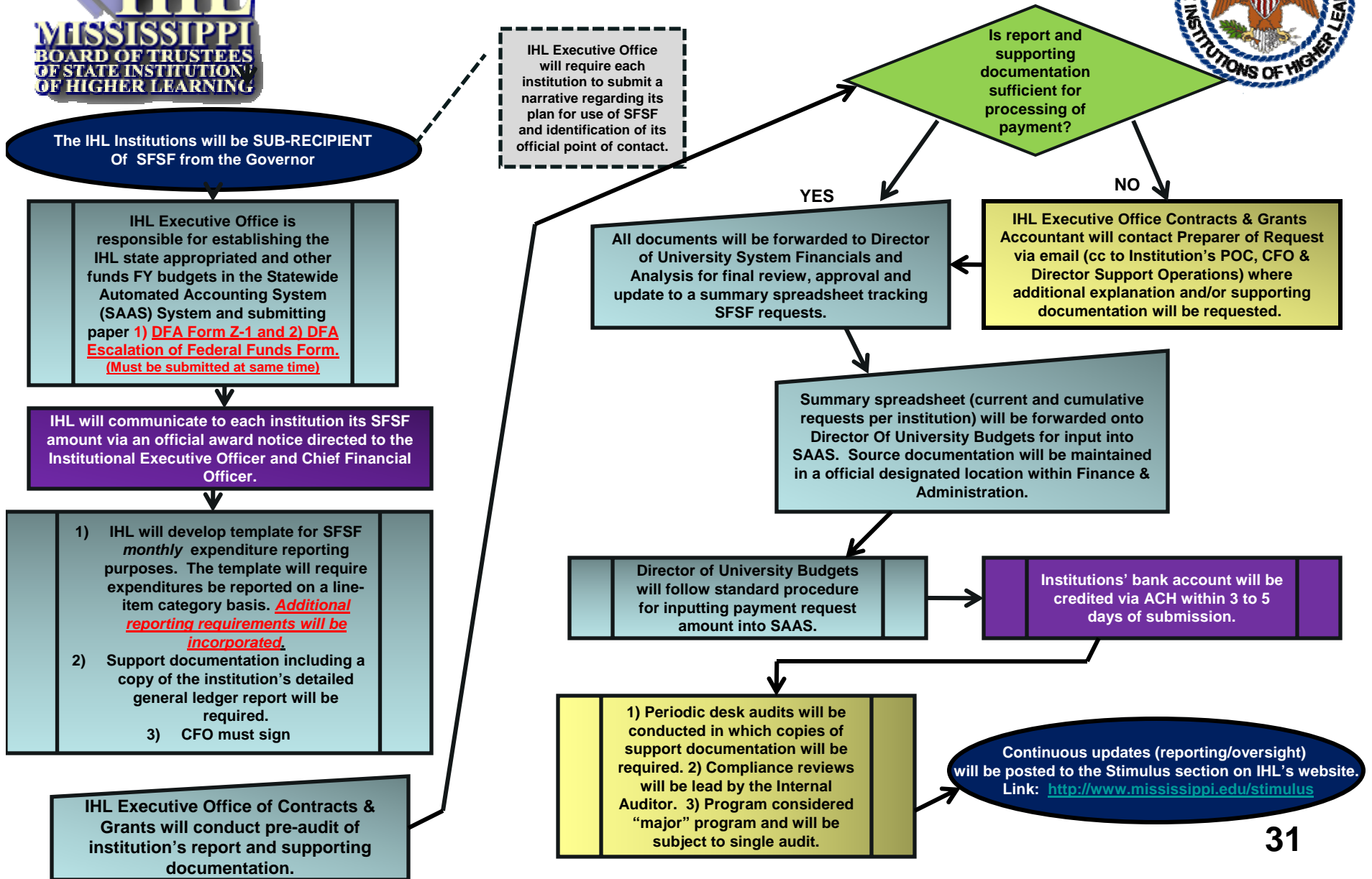


A flowchart will be posted on IHL's website disclosing the business processes for distribution of SFSF

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Mississippi Institutions of Higher Learning (IHL)
Business Process for Requesting, Distributing, Reporting
and Oversight of State Fiscal Stabilization Funds (SFSF)
 American Reinvestment and Recovery Act (ARRA) of 2009





Miscellaneous Information



- **Single Audit:** ARRA funds, including SFSF, must appear in the Schedule of Expenditures for Federal Awards (SEFA)
- **Mississippi Budget Request (MBR):** ARRA (SFSF) is a specifically identified fund source (under state appropriations) on the MBR and is to be identified on the front page of MBR if space permits



Miscellaneous Information



- **Analysis of Operating Budgets (AOB):**
If SFSS is used in conjunction or combined with other revenue budgets for a specific budget, the SFSS must be separately presented in a supplementary schedule



Required Reporting for SFSF



- **Payments *greater than* \$25,000 require reporting the (1) identification of the vendor, sub recipient, or individual by name, the D-U-N-S number OR (2) the name and zip code of headquarters**
- **Top five institution officers' names and compensation**
- **Monthly updates to your institution's SFSF plan are required with the first update due by **September 10, 2009****

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AUDIT and COMPLIANCE

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OIG Audit



Mississippi has been selected as one of 16 states that will be audited by the Office of Inspector General

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Executive Office Internal Auditor



Mitchell Adcock

Email: madcock@mississippi.edu

Phone: 601.432.6227

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OTHER ARRA FUNDS

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OTHER ARRA REPORTING



Additional guidance will be communicated regarding capturing summary data for awards received directly by the institution

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OTHER ARRA

HUMAN RESOURCES/PAYROLL



Making Work Pay Tax Credit

Effective March 31, 2009, withholding allowance rates were adjusted to account for an annual \$400 credit for single filers and \$800 for joint filers (for certain income limits)



OTHER ARRA

HUMAN RESOURCES/PAYROLL



COBRA Premium Reduction Provisions

Individuals who were involuntary terminated between 9/1/08 to 12/31/09 must be offered continuation coverage

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OTHER ARRA-PELL



- **Approximately \$15.6 billion allocated for Pell. ARRA allocates \$1.5 billion to Pell over next two years**
 - **It is estimated Mississippi will receive \$395M in Pell for 2009 and \$448M in for 2010**
 - 2009/2010- Maximum award increase from \$4,850 to \$5,350
 - 2010/2011- Maximum award increase from \$5,350 to \$5,550

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OTHER ARRA-FWS



Approximately \$980.49 million allocated in total for Federal Work-Study (FWS)

ARRA allocates \$200 million to FWS

- It is estimated Mississippi will receive \$11.7 million in 2009/2010 and \$11.7 million in 2010/2011 for FWS**



OTHER ARRA-FMAP



Section 5001 of ARRA provides funds to eligible States through an increase in Federal Medical Assistance Percentage (FMAP) Formula

This is the formula that generally determines the Federal share of Medicaid expenditures



OTHER ARRA-FMAP



UMMC is allocated a total of \$14,243,448 in FMAP. There will not be a transfer or reimbursement through the Executive Office for these funds; rather this is an increase in the matching amount.

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UPDATES ON OTHER ARRA FUNDS AVAILABLE



Dr. Phil Pepper

Assistant Commissioner Research & Planning

Longitudinal Data Workgroup

Mr. Harry Sims

Assistant Commissioner Real Estate & Facilities

Facilities-Bureau of Building

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RESOURCES

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Important Websites



IHL website: Go to IHL's home page and click on Stimulus

Link: <http://www.ihl.state.ms.us/stimulus/>

Governor's website is considered official site for the State:

www.stimulus.ms.gov

www.recovery.gov: <http://www.recovery.gov/>



Executive Office Contact



Cheryl Mowdy
Director Support Operations
cmowdy@mississippi.edu
601.432.6112

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Questions

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