American Recovery & Reinvestment Act of 2009

Nancy Lewis
Connie S. Feeley
American Recovery & Reinvestment Act of 2009

- aka
  - Stimulus Bill
  - Recovery Act
  - ARRA
Guidance

- Initial Guidance and Procedural Changes:
  - April 13, 2009 memo from Nancy Lewis and Connie Feeley
Guidance

- Guidance and procedural updates presented today are required due to rapidly changing requirements from Federal sponsors.
- Future guidance and procedural updates will be disseminated via ARRA-Stimulus-News-L list serve.
ARRA Proposal Procedure Updates

- Proposals that have been previously submitted to Sponsors may require new datasheet and compliance documents (e.g., conflict of interest disclosures, if applicable)

- Prevailing rates for salaries, benefits, indirect costs etc. should be used to prepare revised budgets requested by Sponsor
AARA Award Procedure Updates

- SPO will use the award number assigned by the Sponsor for all ARRA awards, including supplements issued by NIH.
- EMF will assign new account and fund numbers to ARRA awards, including supplements issued by NIH.
- Indirect cost rate in effect at the time of the ARRA award will apply to all expenditures regardless of the indirect cost rate proposed.
ARRA Subaward Reminders

- Indirect cost will be applied to the first $25,000 of all subawards under ARRA, regardless of proposal type.
- New/Updated subaward forms may be required for subrecipients that receive ARRA funding.
- Subrecipients must be registered in the Central Contractor Registration database (CCR) to be eligible to receive ARRA funds.
- CCR registration must be maintained by the subrecipient throughout the award period.
Direct Charging of Administrative Costs to ARRA Awards
Updated Guidance

- Initial guidance to campus based upon guidance from UCOP and COGR that ARRA reporting requirements justified direct charge of administrative costs to ARRA awards

- UCOP guidance rescinded 5/27/09 due to recent notification from OMB and NIH that direct charges of administrative costs will be evaluated solely using the criteria for Major Projects in OMB circular A-21, Exhibit C.
Direct Charging of Administrative Costs to ARRA Awards
Updated Guidance

- Sponsors will evaluate administrative costs proposed on a case-by-case basis in accordance with criteria in A-21, Exhibit C

- NIH indicated that budgets for proposals submitted will be not be reduced if administrative costs are disallowed
AARA Award Terms and Conditions

- NSF ARRA Terms (May, 2009)

- HHS (NIH) Standard Terms and Conditions for ARRA (March, 2009)
  http://grants.nih.gov/grants/policy/NIH_HS_ARRA_Award_Terms.pdf
AARA Reporting

- Quarterly reporting on a public website required for all ARRA awards in accordance with the accountability and transparency requirements in the Act.
- Annual technical progress reports and the usual financial reports will be required in addition to quarterly ARRA reports.
- Quarterly reports submitted to: www.federalreporting.gov
AARA Reporting

- Reporting data elements include:
  - Name/description of the project or activity
  - Completion status of the project or activity
  - Estimate of the number of jobs created and the number of jobs retained by the project or activity
  - Amount of recovery funds received/expended
ARRA Reporting

- Awaiting final guidance from OMB and UCOP on definitions for reporting elements

Campus Guidance for ARRA Reporting Coming Soon!
AARA Financial Reporting

- **Quarterly**
  - Two months plus one month estimated
  - Due ten days after the end of the quarter
- **NSF**
  - Due ten calendar days after the quarter
Post Award Audit Concerns

DHHS and NSF Inspector General office(s) have received ARRA funds to conduct post award reviews/audits of ARRA awards
Post Award Audit Concerns
NSF

- NSF’s approach-
  - Costs charged to ARRA awards and spending rates will be monitored
    - NSF expects funds obligated for a given grant year to be spent within that year
  - Review will focus on internal controls
  - Non-compliance with quarterly reporting will be used to select awards for review
Post Award Audit Concerns
DHHS (NIH)

- **Construction Grants**
  - Focus on internal controls and how the funds are being spent

- **Research Grants**
  - A-133 audit outcomes will be audit focus
  - Spending rates and costs charged to awards will be reviewed
  - Procedures for monitoring subrecipients will be reviewed
ARRA – What Can It Do For Me?

- Legal Disclaimer!
- With all the work we are doing to support the research, we deserve to participate in the “recovery,” too!
- Please discuss with your tax accountant or other professional!
ARRA – What Can It Do For Me?

- From the IRS Website: http://www.irs.gov/newsroom/article/0,,id=204335,00.html

- The IRS is implementing tax-related provisions of ARRA as quickly as possible.

- Key highlights are as follows:
IRS Highlights

- **Payroll Checks Increase This Spring.** The Making Work Pay Tax Credit will mean $400 to $800 for many Americans. The IRS has issued new withholding tables for employers. Taxpayers can check the IRS withholding calculator to make sure enough tax is withheld from their pay.

- **First-Time Homebuyer Credit Expands.** Homebuyers who purchase in 2009 can get a credit of up to $8,000 with no payback requirement.

- **Money Back for New Vehicle Purchases.** Taxpayers who buy certain new vehicles in 2009 can deduct the state and local sales taxes they paid.

- **Enhanced Credits for Tax Years 2009, 2010.** Details on the earned income tax credit, additional child tax credit and American Opportunity Credit, a new higher education benefit.
Questions?