



STATE CONTROLLER'S BULLETIN

Terry Brann
State Controller

Ryan Low, Commissioner
Administrative & Financial Services

Bulletin #FY10-03

SUBJECT: Responsibilities with Subrecipients

DATE: March 11, 2010
TO: ARRA Grant Administrators
FROM: Terry Brann, State Controller

As a result of State Fiscal Year 2009 Single Audit Findings on several American Reinvestment and Recovery Act (ARRA) programs regarding recipient responsibilities for informing subrecipients (Title 2 CFR, Part 176.210) and award term-reporting and registration requirements under section 1512 of the Recovery Act (Title 2 CFR, Part 176.50). This message is being sent as a reminder of the special ARRA requirements for managing awards to sub-recipients. Please take immediate action to ensure that all sub-award activities are being handled in compliance with ARRA requirements. Questions or concerns regarding this correspondence may be directed to Ruth Quirion (ruth.quirion@maine.gov or 207-626-8493).

State Agency Responsibilities for Informing Subrecipients

Title 2 CFR, part 210 requires that prime recipients (state agencies) must document at the time of the subaward and at the time of disbursement of funds, the **Federal Award number, CFDA number, and amount of ARRA funds.**

Please take immediate action to ensure that all ARRA payments processed through the accounting system either through direct entry or via interface contain the Federal Award Number and CFDA number in the accounting line check description field.

Additionally, please notify your subrecipients of the State's responsibility to provide this information to them and of their responsibility to track ARRA funds separately. Subrecipients should be instructed to view the ARRA disbursement information, depending on how they are currently set up to receive payments from the State, as follows:

- **Check payments** – the ARRA disbursement information will be displayed on the remittance advice
- **EFT payments through Paymode (formerly Clareon)** – the ARRA disbursement information will be displayed in the detailed remittance communication provided with each transaction.
- **EFT payments issued directly from the State** – the ARRA disbursement information presentation varies by financial institution. Please instruct subrecipients who are not receiving the detailed ARRA disbursement information from their financial institutions to sign up for State's email notification service. To sign up for this service, subrecipients should be instructed to complete a new **AUTHORIZATION OF AGREEMENT FORDIRECT DEPOSIT / ELECTRONIC FUNDS TRANSFER PAYMENTS** and select the box that authorizes the State of Maine to send DD/EFT

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payment detail to the email address provided. This form may be accessed on the Office of the State Controller's website using the following link:

http://www.maine.gov/osc/pdf/forms/efactivate_v2.pdf

SEFA Reporting : Title 2 CFR, part 210 stipulates that prime recipient (state agencies) must require subrecipients covered by the Single Audit Act Amendment of 1996 and OMB Circular A-133 (entities that expend \$500,000 or more in a year in Federal awards) to separately identify ARRA expenditures on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by OMB Circular A-133. This should be accomplished by identifying expenditures for Federal awards made under the ARRA separately on the SEFA, and as separate rows under Item 9 of Part III on the SF-SAC by CFDA number, and inclusion of the prefix "ARRA-" in identifying the name of the Federal program on the SEFA and as the first characters in item 9d of Part III on the SF-SAC.

Please take immediate action to remind your sub-recipients of this requirement.

Award Term–Reporting and Registration Requirements under Section 1512 of the Recover Act

DUNS/CCR: Under the Recovery Act, recipients and their subrecipients (first tier), must have a Dun and Bradstreet Numbering System (DUNS) number (www.dnb.com) and must maintain active and current profiles in the Central Contractor Registration (CCR) (www.ccr.gov) prior to reporting. Central Contractor Registration (CCR) is the primary registrant database for the U.S. Federal Government. According to guidelines developed by the Office of Management and Budget, recipients and subrecipients include non-Federal entities that expend Recovery Act funds received from a pass-through entity to carry out a Federal program; however, **subrecipients do not include an individual who is a beneficiary of such a program.**

Please take immediate measures to inform the subrecipients of ARRA grant awards subject to the 1512 reporting to obtain a DUNS and register with CCR. The registration with CCR must be maintained through the entire funding period.

State agencies are responsible to monitor subrecipients for compliance with obtaining and maintaining the CCR registration. The Federal reporting system will not accept a 1512 award report containing an invalid subrecipient DUNS number. However, as of the last reporting cycle, the federal reporting system did not verify CCR registration. In order to assist you with determining if your subrecipients are currently registered with CCR, the Office of the State Controller (OSC) has posted a list of the Maine entities with current CCR registrations on the OSC intranet site at <http://inet.state.me.us/osc/arra.htm>. Entities registering with CCR do have an option to keep their information private. Entities selecting this option will not appear on the CCR listing. If any of your subrecipients fall into this category, please request a copy of their CCR registration to maintain on file for audit purposes