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Accountability. Transparency.

Are you prepared to meet the statutory requirements of the American Recovery and Reinvestment Act of 2009?

March 25, 2009

President Obama signed the American Recovery and Reinvestment Act on February 17, 2009- a historic \$787 billion spending and tax relief package

Total Stimulus Funding

Categories of Total Stimulus Funding	Amount in Billions
*Tax Relief	\$288
*State and Local Fiscal Relief	144
Infrastructure and Science	111
Protecting the Vulnerable	81
Health Care	59
Education and Training	53
Energy	43
Other	8
TOTAL	\$787

Key Goals of the ARRA

- Create or save jobs
- Tax relief
- Modernize U.S. transportation infrastructure
- Double U.S. renewable energy generating capacity – while modernizing the electric grid
- Weatherize 2 million homes and 75% of Federal buildings

State's have been allocated \$243 billion or nearly 1/3 of total stimulus dollars

Analysis conducted on the final bill suggests the following breakdown for States:

Expenditure Type*	Amount Across all States	Types of Programs
Education	\$ 64 B	Title 1, IDEA, K-12 and Higher Education Repair and Modernization, Education Technology, Child Care Development Block Grants, Head Start, Pell Grants
Infrastructure	\$ 42 B	Highway Infrastructure Investment, Transit Capital, Fixed Guideway Modernization, Clean Water State Revolving Fund, Drinking Water State Revolving Fund, HOME
Health and Human Services	\$117 B	Neighborhood Stabilization Program, Public Housing Capital Funds, Emergency Shelter Grants, Community Development Block Grants, SNAP, Low Income Energy Assistance, Child Support Enforcement, Community Services Block Grants, Medicaid, Byrne Justice
Fiscal Stabilization	\$ 9 B	State Fiscal Stabilization Fund
Clean Tech and Energy Conservation	\$ 8 B	Weatherization Assistance Program, State Energy Program
Workers	\$ 4 B	WIA Training and Employment Services, Extension, UI Increased Benefits, UI Modernization Act
TOTAL	\$ 244 B	

Source: Copyright © 2009 FFIS Federal Funds Information for States. All rights reserved.
 * Programs rolled up into expenditure type by Deloitte approximation.

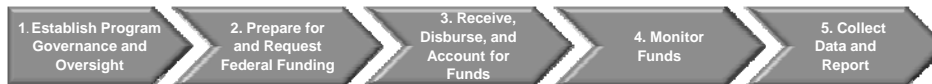
Taxpayer dollars spent on recovery efforts will be subject to unprecedented levels of accountability and transparency

Did You Know?

ARRA funds come with many special requirements that go beyond normal practices. Some examples include:

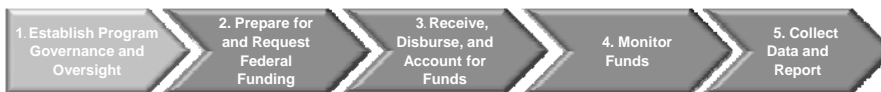
- Specific timelines for obligating funds and awarding grants, or risk losing funds.
- Comprehensive quarterly reporting to the public and federal awarding agency on how funds are being used.
- Requirement to assess the risk of not achieving stated accountability objectives.
- Requirement to track and report progress against accountability measures, including measures relating to timely awards, improper payments, and proper oversight.
- Specification that agencies may not co-mingle recovery funds with other funds. Within their financial systems, agencies must separately track apportionments, allotments, obligations, and outlays related to Recovery Act funding.
- Provisions for an unprecedented level of oversight and monitoring from federal agencies, OMB, GAO, IG and the Recovery Act Accountability and Transparency Board.
- Requirement to report the status of projects or activities for which recovery funds were obligated and expended, including jobs created and/or retained by the project or activity.
- Specific apportionment and use of funds criteria.

Recommended Steps to Accountability and Transparency



Steps to Accountability and Transparency

Step 1: Establish Program Governance and Oversight



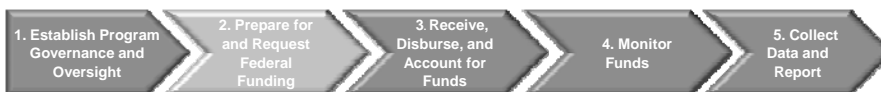
- Designate ARRA state-wide official
- Designate agency accountability official
- Organize program management office and establish vision, strategy, and methodology
- Define governance structure
- Determine staffing needs to support ARRA initiatives and obtain necessary resources
- Define and execute communication protocols
- Determine applicable ARRA compliance requirements
- Establish risk management framework, conduct risk assessment against accountability and transparency objectives, and implement risk mitigation strategies
- Assess existing processes, systems, and controls for administering federal funding against ARRA expectations identifying and remediating any gaps
- Establish standard operating protocols for centralized ARRA processes and train staff
- Coordinate and manage oversight and audit visits from state and federal oversight entities

Required Competencies

- Governance oversight program experience
- Risk assessment methodology and skills
- Internal controls assessment and consulting experience
- Compliance program development

Steps to Accountability and Transparency

Step 2: Prepare for and Request Federal Funding



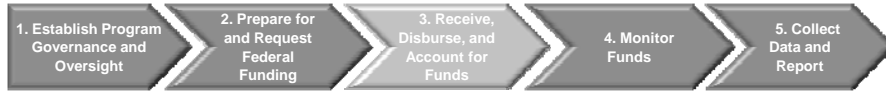
- Compile list of "shovel-ready" projects
- Prioritize list of "shovel-ready" projects using established criteria
- Standardize job creation estimates
- Apply for funding within required timelines
- Expedite state and local appropriation processes to obligate funds
- Expedite permitting and procurement processes

Required Competencies

- Qualified personnel to oversee ARRA funds
- Complex program management experience
- Process reengineering and change management experience
- Financial applications and database management

Steps to Accountability and Transparency

Step 3: Receive, Disburse and Account for Funds



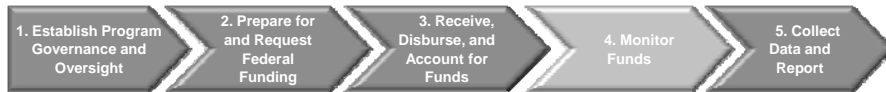
- Prepare federal funds requests
- Draw down federal funds
- Prepare and approve grantee and sub-grantee fund requests
- Distribute funds using defined distribution channels (advances, reimbursement requests)
- Conduct necessary accounting reconciliations
- Prepare and execute monthly and year-end adjustments
- Determine year-end ARRA financial reporting requirements
- Determine year-end ARRA balances and accruals
- Prepare year-end financial schedules and disclosures.

Required Competencies

- Grant management and fund accounting experience
- Treasury management and controls
- Database management skills

Steps to Accountability and Transparency

Step 4: Monitor Funds



- Establish and implement a sustainable risk-based monitoring program over ARRA funds
- Establish metrics to monitor performance of distributed funds
- Monitor key performance indicators
- Establish processes to evaluate compliance with state and federal program requirements
- Execute compliance review processes
- Track and resolve performance and compliance issues
- Oversee capital projects
- Assess construction cost and project controls

Required Competencies

- Compliance program monitoring experience
- Capital project planning
- Workforce optimization skills
- Construction management skills

Steps to Accountability and Transparency

Step 5: Collect Data and Report



- Determine stakeholder reporting requirements
- Establish and implement stakeholder reporting processes
- Establish and implement a central document repository
- Gather appropriate data
- Establish and implement state certification program
- Report to Recovery.gov or other similar site to meet the transparency requirements of ARRA

Required Competencies

- Database management experience
- Web design/management skills
- Data quality and integrity experience

Readiness Success Factors: How Do You Know You Are on Track?

- States' efforts are coordinated to maximize the benefits received without duplicating requests.
- Requirements associated with the ARRA stimulus funds are understood at the state, agency, and local government levels.
- Systems are configured to address reporting requirements.
- Performance metrics are defined and monitored to ensure compliance.
- Internal controls are operating to ensure accurate and timely reporting of required data.
- Risk assessment practices are consistent and effectively implemented to identify, assess and mitigate project risk and the risk of fraud, waste, and abuse.

Mobilization Activities Across the States

	Czar Appointed	Central Organization Established	Public Transparency Process Established (Web Site)	Procurement Process Changes
CA	✓			
FL		✓		
MA	✓	✓	✓	
MI	✓		✓	✓
MN	✓		✓	
MO	✓		✓	
NY	✓	✓	✓	
OH	✓		✓	
PA			✓	
TX			✓	
WI	✓	✓	✓	

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