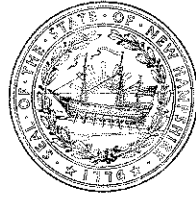


# State of New Hampshire

## OFFICE OF ECONOMIC STIMULUS

107 North Main Street, State House - Rm 208  
Concord, New Hampshire 03301



To: Commissioners, Agency Heads,  
Stimulus/ARRA Leads

From: Bud Fitch, Director,  
Office of Economic Stimulus,  
Office of Governor John H. Lynch

A handwritten signature in black ink, appearing to read "OB Fitch".

**NHRECOVERY**  
putting new hampshire to work

Date: Monday, 3/4/09 (Day 15 of Implementation)

RE: Guidance Document 1  
American Recovery and Reinvestment Act ("ARRA") Implementation

### **Financial Accounting**

Each department/agency must establish a separate org. in the accounting system for each distinct amount of ARRA stimulus money the department/agency will manage. If your department's accounting system will not accommodate this, you must submit an alternative plan for approval by OES/Administrative Services.

This is true even if the ARRA funds will be coming in the form of supplemental funds for an existing program. Stated otherwise, if you have a distinct org for SFY10 ABC Grant Funds and ARRA is providing additional funds to be used for the ABC Grant program, it is essential that you establish an SFY10 NH Recovery ABC Grant org.

It is essential that starting immediately each department or agency that will receive ARRA funds has this mechanism in place to ensure New Hampshire's ability to track every ARRA fund receipt and every ARRA fund expenditure.

ARRA funds must be clearly distinguishable from non-Recovery Act funds in all agency financial systems, business systems, (i.e. grant and contract writing systems), and reporting systems.

### **Department Web Site:**

Each agency managing an ARRA funded program should dedicate a page on the Department's primary website to Recovery Act activities within one week of issuance of this guidance. Those pages must be consistently identified with a URL that identifies the key entry page to the ARRA information with a "/recovery" extension, i.e. [www.nh.gov/agency/recovery](http://www.nh.gov/agency/recovery). The page should provide an easily understood summary

of each program managed by the department. For those programs that will receive grant requests, to the extent possible, the site should provide access to on-line forms or forms that can be downloaded.

**Statewide Web Site:**

The Office of Economic Stimulus has established a web page off the State home page at:

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

Through the Department of Information Technology, please post all bid offerings, RFPs, RFIs, Awarded Contracts, and other public documents related to the American Recovery and Reinvestment Act on your web site and at this central site. This can be done by submitting links to documents on your web site or a PDF of the document to [nhoes@nh.gov](mailto:nhoes@nh.gov). Awarded contracts should have non-public information, if any, redacted.

**Branding:**

Include “NH Recovery” in the title of all documents related to the use of ARRA funds, including Bids, RFPs, RFIs, Contracts, Grant Offers, Grant Awards, Web Pages, etc.

Where practical and appropriate include the following “brand” image on web pages, signs, documents, etc. that address ARRA funded efforts.



It is essential that we clearly distinguish information, work, and uses of American Recovery and Reinvestment Act (“ARRA”) funds from activity funded through other means. This is particularly important where an existing program or grant opportunity is funded both by regular federal and state budget dollars and by ARRA appropriated funds.

**Competitive Grants:**

We are in the process of identifying a responsible department and individual for all competitive grant opportunities that might possibly be available to the State. As members of your department review the grant criteria, terms, conditions, application process, and timeline, please notify OES as soon as possible of your tentative decisions regarding seeking or not seeking a competitive grant. If your decision is to not seek the

grant, please include in an e-mail or memo a brief explanation of why your department will not be seeking the grant.

We will then examine whether to find a different New Hampshire entity that can apply or to locate resources for applying from elsewhere in State government.

**Awarding ARRA Funds:**

All departments/agencies that will be awarding ARRA funds where the department/agency has any degree of discretion must submit your planned criteria for selecting fund recipients to OES. It is our expectation that most federal programs will set general criteria and restrictions on permissible use of funds. Departments should include, where appropriate under federal requirements, some weight in the selection process for regional equity in light of how other ARRA funded programs are awarding their funds. Please e-mail your established criteria or a draft of ARRA specific criteria for each program to [nhoes@nh.gov](mailto:nhoes@nh.gov).

If funds are allocated by a strict formula imposed by federal law, regulation, or guidance, it is not necessary to submit this formula to OES.

OES will work with the Governor's Office to alert you to any concerns and will work to identify any differences in the approaches being used by different departments that may be problematic.

OES is working on developing an electronic communications tool that will facilitate departments and agencies sharing information on discretionary fund allocation.

**Contracting:**

Contracts using ARRA funds will need to include terms that require tracking and reporting information required by ARRA. It will also be essential to include terms addressing Davis-Bacon wage requirements when they apply, as well as the usual and customary provisions regarding restrictions on the use of federal funds regarding lobbying, anti-kick back, etc. Contracts must include a requirement that each grantee or sub-grantee awarded funds shall promptly refer to an appropriate inspector general any credible evidence that a person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving those funds

Departments who need assistance with ensuring full compliance with these requirements should consult with your assigned Assistant Attorney General at the Department of Justice. We are hopeful that forthcoming federal guidance will include specific recommended language for contracts, if not, we will provide model language for New Hampshire State contracts.

Section 1512 of the Recovery Act requires each state department to report the following information to the Federal agency providing the award 10 days after the end of each calendar quarter, starting on July 10<sup>th</sup>, 2009.

These reports must include the following data elements:

- (1) The total amount of recovery funds received from that agency;
- (2) The amount of recovery funds received that were obligated and expended to projects or activities and the unobligated Allotment balance for each program/grant.
- (3) A detailed list of all projects or activities for which recovery funds were obligated and expended, including—

- (A) The name of the project or activity;
- (B) A description of the project or activity;
- (C) An evaluation of the completion status of the project or activity;
- (D) An estimate of the number of jobs created and the number of jobs retained by the project or activity; and
- (E) For infrastructure investments made by State and local governments, the purpose, total cost, and rationale of the agency for funding the infrastructure investment with funds made available under this Act, and name of the person to contact at the agency if there are concerns with the infrastructure investment.

(4) Detailed information on any subcontracts or sub grants awarded by your department. Federal Funding Accountability and Transparency Act of 2006 (P.L. 109-282). While we expect further federal guidance on this, currently available information indicates you need to be prepared to report specific data on all ARRA funded contracts or grants, except:

- A. When the contract or grant is awarded to an individual (information still must be documented, but will not be reported through this process);
- B. When the contract or grant is for an amount less than \$25,000. (These small contracts and grants will be reported in the aggregate)

OMB has reported that it will establish uniform reporting requirements for estimates of job creation. We will provide these as soon as they are available.

ARRA imposes restrictions on use of ARRA funds generally that must be incorporated into RFPs, bids, and contracts. These include:

**BUY AMERICAN  
SEC. 1605. USE OF AMERICAN IRON, STEEL, AND  
MANUFACTURED GOODS.**

(a) None of the funds appropriated or otherwise made available by this Act may be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States.

**SEC. 1606 WAGE RATE REQUIREMENTS**

. Notwithstanding any other provision of law and in a manner consistent with other provisions in this Act, all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to this Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of

**Dual State/Federal Reporting:**

Each report you submit to the federal agency that you received ARRA funds from must also be posted at <http://www.nh.gov/recovery/>. Please plan to work with DoIT post this information on your Department's web site. Until a process is established with DoIT for posting, please e-mail a link to the report to [nhoes@nh.gov](mailto:nhoes@nh.gov), so that OES can ensure your reports are easily accessible through the Governor's Office NH Recovery web pages.

**Use or Lose:**

ARRA makes certain funds subject to a use or lose requirement, in most instances requiring that 50% of funds be obligated (contract issued) within 120 days of enactment (by June 17, 2009), or any unobligated portion of that 50% will be lost. The federal authorities will in effect take back those unobligated funds and redistribute that money to other states.

There is also a general requirement that in other programs preference be given to fast start programs:

In using funds made available in this Act for infrastructure investment, recipients shall give preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for activities that can be initiated not later than 120 days after the date of the enactment of this Act. Recipients shall also use grant funds in a manner that maximizes job creation and economic benefit.

Each department/agency receiving ARRA funds is responsible for identifying whether those funds are subject to specific use or loss provisions, and if so for developing a timeline for obligation of the funds that satisfies this requirement. If your department anticipates the need to extra meetings of the fiscal committee or Governor & Executive Council, please send an e-mail describing your needs to [bud.fitch@nh.gov](mailto:bud.fitch@nh.gov). OES will coordinate requests for extra meetings.

1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code.

#### **Increased Oversight:**

ARRA appropriates \$184,000,000 to the offices of Inspector Generals across the federal government solely for the purpose of examining how ARRA funds are used. You need to anticipate an unprecedented level of public, media, and federal auditing scrutiny of how ARRA funds are utilized.

- Be prepared to evaluate & demonstrate effectiveness of your monitoring & oversight practices regarding sub-grantees and contractors;
- Review Performance Management Accountability and Internal Controls Assessment
- Continue administrative requirements set out in OMB Circulars:
  - A-102 (State and Municipal Governments)  
<http://www.whitehouse.gov/omb/circulars/a102/a102.html>
  - 110 (Higher Education, Hospitals, Non-Profits)  
<http://www.whitehouse.gov/omb/circulars/a110/a110.aspx>

#### **Legislative/Administrative Rule Changes:**

Please notify us immediately if you identify any statutes or administrative rules that need to be changed to allow effective implementation of ARRA.