



August 2, 2010

Dear Local Educational Agency,

The purpose of this letter is to inform you that your organization was awarded federal funding under the State Fiscal Stabilization Fund (FY 2010 ARRA Education Stabilization Fund-June Application) authorized as part of the American Recovery and Reinvestment Act of 2009 (ARRA). This grant was distributed to LEAs with approved applications today, August 2, 2010; please refer to the attached list to review each award.

The Governor's Office of Economic Recovery is responsible for distributing the State Fiscal Stabilization Funds granted to the State of Arizona by the U.S. Department of Education. Funding is sub-awarded to K-12 entities through the Arizona Department of Education's (ADE) Grants Management Enterprise system.

Awarded recipients must follow federal and state reporting and compliance guidelines. LEAs receiving awards have agreed to meet ARRA requirements and follow reporting guidelines as it was a condition of receiving application approval; review the highlighted ARRA guidelines listed on the next page for further information.

Reporting documents are required from each LEA receiving an award and will be collected through the Arizona Department of Education. Please contact the ADE Grants Management Office at 602-542-3695 or grants@azed.gov if you have any questions regarding reporting documents. Reporting documents include but are not limited to:

- 1) [FY 2011 ARRA Assurances Form](#) is required of any entity applying/accepting ARRA funding and must be submitted to ADE. If you have questions or need to verify that it is on file please contact the Grants Management Office.
- 2) Cash Management Reports are due by the 18th of every month. To access Cash Management Reports you will have to go through Common Logon -> Grants Management -> Cash Management Reports.
- 3) ARRA Recipient Reporting module for Q3 (July 1, 2010-September 30, 2010) will be available under the Common Logon and should open in late September or early October. Any entity receiving ARRA funds, including this award, are required to fill out their ARRA Recipient Report.
- 4) [Completion Reports](#) must be submitted to ADE within 90 calendar days after the project end date. In addition, rejected Completion Reports must be resubmitted to ADE within 30 days after the rejection date. A completion report is needed for each ARRA Education Stabilization Award received.

Acceptance of this award subjects your organization to monitoring and, if applicable, single audit requirements and review. Additionally, acceptance of this award requires your entity to complete education reform initiatives as detailed in [Arizona's State Fiscal Stabilization Fund Phase II](#) application accepted by the U.S. Department of Education on March 23, 2010.

The Governor's Office of Economic Recovery is here to assist you; if additional information is needed on any of the items discussed in this correspondence please contact Kenda DeLeon, Grants Management Analyst at 602-542-4243 or kdeleon@az.gov.

Congratulations,

Matthew Hanson
Assistant Director, Programs and Performance



AMERICAN RECOVERY and REINVESTMENT ACT (ARRA) GUIDELINES and REQUIREMENTS

Please note that this is not a comprehensive list but rather an overview to provide you with some key points as you accept your State Fiscal Stabilization Fund award. If additional information is needed, then please review your application and our [Arizona Office of Economic Recovery Resource Guide](#).

Major funding and compliance requirements include but are not limited to:

- 1) LEAs shall be in strict compliance with OMB Circular A-21, Cost Principles for Educational Institutions (2 CFR 220 A-21) and shall adhere to the Federal Cash Management Improvement Act (CMIA) and comply with guidelines of the State Fiscal Stabilization Fund, established under the Recovery Act through Public Law 111-5 (H.R.1) and amended by Public Law 111-8 (H.R. 1105).
- 2) The Recovery Act funds may be used in conjunction with other funding as necessary to complete projects, but tracking and reporting of Recovery Act funds must be separate to meet the reporting and other requirements of the Recovery Act and other applicable law.
- 3) The accounting systems of all recipients and sub-recipients must ensure that funds from any award under this Recovery Act solicitation are not commingled with funds from any other source. Misuse of grant funds may result in a range of penalties, including suspension of current and future funds, suspension or debarment from federal grants, recoupment of monies provided under a grant, and civil and/or criminal penalties.
- 4) Consistent with the special purposes and goals of the Recovery Act, and its strong emphasis on accountability and transparency, it is essential that all funds from a Recovery Act grant be tracked, accounted for, and reported on separately from all other. Recipients must also be prepared to track and report on the specific outcomes and benefits attributable to use of Recovery Act funds. For more information on accounting codes please review the email notice from the Arizona Auditor General dated April 28, 2010.
- 5) Funds associated with this award shall only be used by the LEA for the purposes set forth by their approved FY 2010 ARRA Education Stabilization Fund-Spring application.

Federal and State policies, procedures, and requirements include but are not limited to:

- 1) Buy American Act - The recipient understands that this award is subject to the provisions of section 1605 of ARRA, Buy American Act. No award funds may be used for non-American sources of iron, steel, or manufactured goods for a project for the construction, alteration, maintenance, or repair of a public building or public work, unless the recipient provides advance written notification and upon approval of the federal grant agency, a waiver is issued allowing this activity.
- 2) Davis-Bacon and Related Acts: Wage Rate Requirements- All applicants should be aware that ARRA contains a provision on wage rate requirements that concerns projects funded or assisted by Recovery Act funds that employ laborers and mechanics. See section 1606 of ARRA for the full text of this requirement.
- 3) ARRA Infrastructure Investment: Preference for Quick-Start Activities- Pursuant to section 1602 of ARRA, recipient of funds under this solicitation for infrastructure investment are to give preference to activities that can be started and completed expeditiously, and also are expected to use grant funds in



a manner that maximizes job creation and economic benefit. For the details of this requirement, please refer to the text of section 1602 of the Recovery Act.

- 4) Recovery Act: Contracts- Generally speaking, ARRA places special emphasis on the use of fixed-price contracts awarded through competitive procedures.
- 5) National Environmental Policy Act Requirements- Under section 1609 of the American Recovery and Reinvestments Act of 2009 all recipients must comply with any applicable environmental impact requirements of the National Environmental Policy Act of 1970 (NEPA), as amended, (42 U.S.C. 4371 et seq.), 40 CFR parts 1500 through 1508 and any state government requirements that implement NEPA.