

MICHIGAN DEPARTMENT OF EDUCATION
Grants Coordination and School Support

American Recovery and Reinvestment Act (ARRA) of 2009
Section 1512 Reporting Requirements

BACKGROUND

Reporting for American Recovery and Reinvestment Act (ARRA) grants must be completed by all recipients of ARRA Grant funds. Reporting requirements for grants received under the ARRA and the Education Jobs Fund will include: Section 1512 reporting, program performance reporting, final expenditure reporting, and reporting in the Financial Information Database (FID). This application meets the requirements for Section 1512 reporting.

QUARTERLY SECTION 1512 REPORTING

Section 1512 reporting is specific to ARRA programs and Education Jobs Funds as part of the increased transparency and accountability requirements and must be completed quarterly. Districts will use the Michigan Electronic Grants System (MEGS) to complete the Section 1512 report.

DISTRICT REPORT DUE DATES

October 5, 2009
January 8, 2010
April 2, 2010
July 5, 2010
October 5, 2010
January 5, 2011
April 5, 2011
July 5, 2011
October 5, 2011

Additional due dates for future reports will be announced as the information becomes available.

GRANT PROGRAMS THAT ARE SUBJECT TO SECTION 1512 REPORTING

ARRA Temporary Emergency Food Assistance Program (TEFAP)
ARRA Early On Michigan
ARRA Education Stabilization Funds
ARRA Equipment Assistance
ARRA Homeless Students
ARRA Special Education: Flowthrough
ARRA Special Education: Preschool
ARRA Title I, Part A: Improving Basic Programs
ARRA Title I, Part D, Subpart 2: Neglected or Delinquent Prevention/Intervention
ARRA Title II, Part D, Enhancing Education Through Technology
ARRA Title I School Improvement
Education Jobs Fund

DUNS AND CCR REGISTRATION REQUIRED

A Data Universal Numbering System (DUNS) number is required for all recipients of ARRA funds. An organization's DUNS number **must** be registered in the Education

Entity Master. In addition to obtaining a DUNS number, all recipient organizations **must** register with the Central Contractor Registration (CCR) after receiving a DUNS number. Most organizations that have applied directly to the federal government for a grant already have DUNS numbers and are already registered with the CCR. Ask your grant administrator, chief financial officer, or authorized official if your organization is already registered with the CCR and for your organization's DUNS number. Details on DUNS registration is in the FAQ section of this document.

REMINDER: CCR registration is required annually. Be sure your CCR registration is current – if your registration expires, you will need to renew it in order to comply with Section 1512 reporting requirements.

SECTION 1512 REQUIRED COMPONENTS

Most of the information required for Section 1512 reporting to the Federal government is available through the Cash Management System and other MDE systems. ARRA recipients must provide the information that cannot be extracted from internal systems to MDE using the Section 1512 Reporting application in MEGS.

1) Vendor Information. Recipients must report the identity of any vendor (contractor) who received **a single payment within the calendar quarter** of this reporting cycle of \$25,000 or greater paid with ARRA or Education Jobs grant funds. Recipients must report the vendor's DUNS number if available, otherwise the vendor's name and zip code of the vendor's headquarters must be reported.

2) Jobs Created or Retained. Recipients must report the number of jobs created or retained for the latest quarter expressed as a full time equivalent (FTE). In addition, a description of the types of jobs created and/or retained must be reported. See the FAQs section of this document for detailed information on how to calculate FTEs and how to describe the types of jobs created and/or retained. Please review the FAQs on Jobs Created and Retained, particularly the information on calculating jobs created and retained. ***NEW!* Quarterly Activities/Project Description -** Enter a brief description of the grant activities during the reporting quarter for each grant. Provide a brief description of your grant activities carried out during the quarter. The description should include the amount of funds expended for the quarter and the percentage of those funds expended on creating/saving the jobs reported for this quarter. For those funds not included as part of the FTE calculation, describe the use of those funds (i.e. benefits, etc.). Also provide a description of expected grant outcomes (i.e. the funds are being used to save jobs). There is a 200 character limit.

As a reminder for IDEA ARRA Special Education Flowthrough Grants, ISDs, LEAs and PSAs should be sure the job descriptions reflect a position that would be considered "approvable" within the IDEA ARRA Special Education Flowthrough grant, and job titles and FTE count should reflect what is currently filled and approved in the current IDEA ARRA grant application.

In addition for the IDEA ARRA Special Education Flowthrough grant, the reported quarterly activities should be the activities that the "jobs created/retained" completed, not that salaries and benefits were paid.

3) Infrastructure Expenditures. Infrastructure expenditure reporting is required for the following ARRA grant programs:

Education Stabilization Funds

Special Education: Flowthrough (IDEA Part B, Section 611)

Special Education: Preschool (IDEA Part B, Section 619)

Early On Michigan (IDEA Part C)

Specifically, the total funds expended on infrastructure and a description of the infrastructure projects funded completely or partially by the grant and how the investment will contribute to one or more purposes of the Recovery Act is required. Expenses utilizing any of these function codes are generally considered infrastructure investments: 450, 451, 452, 453, 455, 456, and 459. Contact the office that awarded the grant for assistance in determining what is considered an infrastructure expenditure for your particular grant program.

Infrastructure expenditures are not allowed for any ARRA grants other than those four listed above. "Zero" and/or "N/A" is an acceptable answer.

NOTE: If you have fully expended, and completed a final expenditure report (FER) in the Cash Management System (CMS), check the box on the "Jobs Created or Retained" page. You will not be required to report on a grant that meets these criteria in future reporting cycles. You may however amend your report at any time if necessary.

PERIOD COVERED IN THE REPORT

The reporting period for the report due on January 5, 2011 is October 1, 2010 through December 31, 2010. If a grant has a later starting date than October 1, 2010, then use the grant starting date as listed in the Grant Award Notification.

ASSURANCE OF ACCURACY

If, during the implementation of any funded project, MDE establishes that inaccurate or false information was provided in the application or report, the grant may be rescinded.

ACCOUNTABILITY AND TRANSPARENCY

In keeping with accountability, transparency, and reporting requirements, any and all portions of reports on the use of funds may be publicly posted.

QUESTIONS

If you have questions, contact the number listed below for the grant for which you are reporting:

ARRA Temporary Emergency Food Assistance Program (TEFAP) - (517) 241-2597

ARRA Early On Michigan - (517) 373-8483

ARRA Education Stabilization Funds - (517) 373-1806

ARRA Equipment Assistance - (517) 373-3347

ARRA Homeless Students - (517) 241-1162

ARRA Special Education: Flowthrough - (517) 241-1235

ARRA Special Education: Preschool - (517) 373-8483

ARRA Title I Part A: Improving Basic Programs – (517) 373-3921

ARRA Title I, Part D, Subpart 2: Neglected or Delinquent - (517) 373-3921

ARRA Title II, Part D, Enhancing Education Through Technology: Competitive - (517) 335-2957

ARRA Title II, Part D, Enhancing Education Through Technology: Formula – (517) 373-3921

ARRA Title I School Improvement - (517) 373-4872

Education Jobs Fund - (517) 335-9618

FAQS

What is a job created or retained?

A job created for the purposes of this reporting is a new position created and filled, or an existing unfilled position that is filled, that is funded by the Recovery Act or the Education Jobs Fund; a job retained is an existing position that is now funded by the Recovery Act or Education Jobs Fund. Also, only compensated employment in the United States or outlying areas should be counted. For purposes of jobs reporting, there is no distinction between a created and a retained job; however, note that a job must be counted as either a job created or a job retained; it cannot be counted as both.

How should recipients express the estimates of jobs created or retained?

The estimate of the number of jobs required by the Recovery Act should be expressed as FTEs, which is calculated as total hours worked in jobs created or retained divided by the number of hours in a full-time schedule, as defined by the recipient. The FTE estimates must be reported each calendar quarter across the lifecycle of the grant award. In calculating the FTE for each quarter, the denominator must include the total number of hours that would have been worked in a full-time schedule in the latest quarter.

What are “direct” and “indirect” jobs? Should recipients report “indirect” jobs? When should recipients include estimates for the job impact on vendors?

Updated Federal guidance states that only jobs directly funded by the Recovery Act or Education Jobs Funds should be reported. A funded job is defined as one in which the wages or salaries are either paid for or will be reimbursed with Recovery Act or Education Jobs funding.

Recipients must consider the job impact on vendors funded with Recovery Act and Education Jobs funds. Typically, individuals who are employed by vendors in order to provide services to prime recipients or sub-recipients would be counted. This could include, for example, vendors providing professional development for special education teachers under the IDEA Grants to States program, and vendors providing

early intervention services to infants and toddlers with disabilities under the IDEA Grants for Infants and Families program. Note that the recipient would be responsible for identifying those hours worked by personnel employed by vendors that are attributable to Recovery Act or Education Jobs funding.

Recipients should not attempt to report on the employment impact on vendors from whom recipients are purchasing materials, equipment, or other supplies (so-called "indirect" jobs), except in those instances where the value or the quantity of the purchases is so significant as to have an identifiable employment impact on the vendor. In addition, employees who are not directly charged to Recovery Act or Education Jobs Fund supported projects or activities who, nonetheless, provide critical indirect support, e.g., clerical and administrative staff preparing reports, institutional review board staff members, and departmental administrators, are NOT counted as jobs created or retained. Recipients are required to report only direct jobs because they may not have sufficient insight or consistent methodologies for reporting indirect or induced jobs.

Must recipients that receive Recovery Act funds through multiple sources estimate job creation and retention independently for each funding source?

Recipients that receive Recovery Act funds from multiple sources must report separate job estimates for each grant award.

What should the job creation narrative contain?

The narrative should include a brief description of the types of jobs created or retained. This description may rely on job titles, broader labor categories, or the recipient's existing practice for describing jobs as long as the terms used are widely understood and describe the general nature of the work.

Do the reporting requirements change if a project is only partly funded through the Recovery Act?

Recipients of Recovery Act and Education Jobs funds must report on the jobs impact for all projects and activities supported under the Recovery Act and Education Jobs, whether they are funded in whole or in part by Recovery Act or Education Jobs funds, but should report only on the jobs impact that is attributable to Recovery Act funding. For example, a sub-recipient must report on the jobs created as a result of expanding an existing contract (e.g., to provide teacher training to teachers in the district) with Recovery Act and Education Jobs funding.

Please note that certain recipients, such as grantees under Title I, have job reporting requirements in the Recovery Act that go beyond Section 1512. Recipients must follow this guidance with respect to the reporting requirements under Section 1512, but must also comply with program-specific requirements for the program reporting.

How do recipients estimate the number of created or retained jobs?

The requirement for reporting estimates of the "Number of Jobs" is based on a simple calculation used to avoid overstating the number of other than full-time permanent jobs. This calculation converts part-time or temporary jobs into fractional "full-time equivalent" (FTE) jobs.

In order to perform the calculation, a recipient will need the total number of hours worked by employees in the most recent quarter (the quarter being reported) in jobs that are funded fully or partially with ARRA and Education Jobs funds. The recipient will also need the number of hours in a full-time schedule for the quarter. For instance, if a full-time schedule is 2,080 hours/year, the number of hours in a full-time schedule for a quarter is 520 (2,080 hours/4 quarters = 520).

Total number of hours worked and funded by ARRA and Education Jobs Fund in quarter (Qtr n)
Quarterly Hours in a full-time schedule (Qtr n) = FTE

How should a recipient calculate the FTE for a teacher on a contract that is less than 12 months?

Recipients should consider the total hours worked during the school year as equivalent to 1 FTE even if the period is less than 12 months if the teacher is working pursuant to a contract that the recipient regards as full-time. A teacher working in excess of a full-time contract would be counted as more than 1 FTE (e.g., a teacher who is working 12 months of the year and receiving additional compensation for working during the summer months). That teacher's FTE should be determined by how many hours the teacher worked in relation to the number of hours in the normal full-time contract. For example, if the normal contract was to work for 1733 hours (10 months), and the teacher worked 2080 hours, that teacher would be counted as 1.2 FTEs (2080 divided by 1733 = 1.2).

What is a Vendor?

A vendor is defined as a dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a federal program. Recipients may purchase goods or services needed to carry out the project or program from vendors. Vendors are not awarded funds by the same means as recipients and are not subject to the terms and conditions of the Federal financial assistance award.

The characteristics of a vendor that make it distinct from a sub-recipient are summarized below. A vendor:

- (1) Provides the goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;
- (3) Operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the Federal program; and
- (5) Is not subject to compliance requirements of the Federal program.

Items charged to object code 3100 that meet the 5 criteria above are considered vendors.

Will there be any waivers granted to any recipient if it is not able to meet the reporting deadlines?

No waivers will be granted for any recipients required to report under Section 1512 of the Recovery Act.

What are the ramifications of non-compliance with the recipient reporting requirements?

Federal awards, like most legal contracts, are made with stipulations outlined in the award's term and conditions.

Non-compliance with the reporting requirement as established under section 1512 of the Recovery Act is considered a violation of the award agreement because awards made with Recovery funds have a specific term requiring such compliance. The award term language is found in the Code of Federal Regulations (CFR) in 2 CFR Part 176.50. The Awarding Agency may use any customary remedial actions necessary to ensure compliance, including withholding funds, termination, or suspension and debarment, as appropriate.

How will these reports be made available to the public?

All reports submitted pursuant to Section 1512 of the Recovery Act will be made available on www.Recovery.gov and on individual federal agency recovery websites.

Who is responsible for the quality of data submitted under Section 1512 of the Recovery Act?

Data quality is an important responsibility of recipients of ARRA and Education Jobs funds. Recipients, as owners of the data submitted, have the principal responsibility for the quality of the information submitted.

Recipient Responsibilities:

- 1) Initiate appropriate data collection and reporting procedures to ensure that Section 1512 reporting requirements are met in a timely and effective manner.
- 2) Implement internal control measures as appropriate to ensure accurate and complete information.
- 3) Review information for material omissions and/or significant reporting errors, and make appropriate and timely corrections.

What is an infrastructure investment?

An infrastructure investment is financial support for a physical asset or structure needed for the operation of a larger enterprise. Therefore, infrastructure investments include support for tangible assets or structures such as roads, public buildings (including schools), mass transit systems, water and sewage systems, communication and utility systems and other assets or structures that provide a reliable flow of products and services essential to the defense and economic security of the United States, the smooth functioning of government at all levels, and society as a whole. Expenses utilizing any of these function codes are generally considered infrastructure investments: 450, 451, 452, 453, 455, 456, and 459. Contact the office that awarded the grant for questions regarding what is considered an infrastructure investment for your grant program.

NEW! The definition of Infrastructure for purposes of Section 1512 reporting has been clarified: An infrastructure investment does not include "minor remodeling" as defined in 34 C.F.R. § 77.1(c).

How do I get more information on DUNS registration?

If your organization does not have a DUNS number or you need to verify whether or not you have a DUNS number, follow the steps in this guide -

www.whitehouse.gov/omb/grants/duns_num_guide.pdf. If your organization needs to register with the CCR or you need to verify whether or not you are registered, you can do so online at www.ccr.gov. CCR has developed a handbook at www.ccr.gov/Handbook.aspx to help you with the process.

Once the DUNS numbers have been verified as being registered to the recipient organization, the DUNS number must be recorded and saved into the Educational Entity Master (EEM). The date of the most recent Central Contractor Registration (CCR) must also be entered in the EEM. Each entity in the EEM should have an assigned EEM entity authorized user.

This person is designated by the superintendent or administrator to make changes in the EEM record(s).

If you do not know the name of your EEM entity authorized user, send an e-mail message to cepi@michigan.gov or call 517-335-0505 and choose option 3. Provide your name, entity name, district code, district name (if applicable), state you have a question regarding the EEM, your telephone number (including area code and extension), your e-mail address, and your specific questions.

For questions and help with DUNS numbers call 866-705-5711. For questions and help with CCR registration call 866-606-8220.

NEW! U.S. DEPARTMENT OF EDUCATION CLARIFYING GUIDANCE ISSUED 8/26/2010 BELOW

May the number of hours that constitute a full-time schedule vary across quarters?

Yes. In one quarter, for example, a full-time schedule may be 512 hours whereas, in the next quarter, it may be 520 hours. The number of hours may vary, for example, based on the number of days in the quarter or the number of hours the employer considers to constitute a standard full-time schedule. Depending on how recipients calculate full-time equivalents (FTEs), it may be necessary to consider these differences. Recipients should ensure that an employee who is working full-time and whose salary is fully funded by ARRA or the Education Jobs Fund is reported as 1 FTE.

Does the length (i.e., 10 months or 12 months) of a full-time contract affect FTE calculations?

No. If an employee is working pursuant to a contract that the recipient regards as full-time, the recipient should consider the total hours worked and paid during the school year as equivalent to 1 FTE even if the period is less than 12 months. An employee's FTE should be determined by how many hours the employee worked and was paid in relation to the number of hours in a normal full-time contract. Regardless of whether an employee is on a 10-month or 12-month contract, the employee should be reported as 1 FTE every quarter if the position is fully funded by ARRA or

the Education Jobs Fund.

How should FTEs be calculated for hours worked in addition to a full-time schedule?

The FTEs for hours worked in addition to a full-time schedule should be calculated separately from FTEs for a regular full-time schedule and then added to the FTE from the regular full-time schedule to get the FTE for the quarter. If an employee is fully funded by ARRA or Education Jobs fund and works additional hours beyond the full-time schedule that are also funded by ARRA or Education Jobs Fund, the employee would be reported as more than 1 FTE. For example, if a teacher worked in a summer school program in addition to a full-time schedule and the time worked in that summer school program is roughly equivalent to 50 percent of a full-time schedule in one quarter, the teacher would be reported as 1.5 FTE for that quarter.

Should vendor jobs be included in recipient reports?

Yes, the OMB guidance released December 18, 2009, requires recipients to report vendor jobs. It is the responsibility of recipients and subrecipients to include hours worked by vendors in their quarterly FTE calculations.

How should FTEs be reported when funds are expended in one quarter to cover costs incurred in previous quarters? (This question updated September 30, 2010 per updated OMB guidance)

The OMB guidance released December 18, 2009, defines a funded job as one in which the wages or salaries are either paid for or will be reimbursed with Recovery Act funding. A job that is paid initially with non-Recovery Act dollars may be reported as created or retained so long as such dollars eventually will be reimbursed with Recovery Act funds for the jobs being reported.

To the extent possible, recipients should follow this guidance and report a job in the quarter in which it is worked. However, there may be circumstances in which a job cannot be reported in the quarter in which it is worked. A situation like this might occur if a recipient identifies the positions to be paid with ARRA funds after the end of a quarter or if the recipient uses the ARRA funds for pre-award costs that were not captured in prior quarter reporting . If this situation arises, the job should be reported in the quarter in which Recovery Act funds are expended to pay for the job. Recipients should be consistent in their application of reporting jobs either in the quarter in which the job is worked or in the quarter in which ARRA funds are expended to pay for the job.

Should benefits be included in the calculation of jobs under the OMB guidance released December 18, 2009?

In accordance with the OMB guidance, FTEs are based on positions funded, regardless of salary or benefits. ARRA and Education Jobs funds that are only used for cost-of-living increases or retention bonuses should not be counted as FTEs.

May the “definite term methodology” be applied to funds that are received in the middle of the definite term?

No. The definite term methodology, may not be used as its use would lead to an underreporting of jobs. The general methodology should be used to calculate FTEs paid for with funds that are received in the middle of the definite term and used during the remainder of the current definite term. If all of the funds are not spent and there are remaining funds at the beginning of a new definite term, then the definite term methodology can be applied to the remaining funds in the new definite term.

Additional information regarding use of the “definite term methodology” can be found in the December 18, 2009, OMB guidance available at http://www.whitehouse.gov/sites/default/files/omb/assets/memoranda_2010/m10-08.pdf.

What if a recipient has calculated and reported jobs in a manner that is inconsistent with this guidance or with previously released guidance?

The recipient should recalculate the jobs in a manner consistent with ED and OMB guidance and maintain administrative records that include comprehensive information on any and all necessary corrections. Recipients will be required, at a time and in accordance with a process to be specified in the future, to submit this information to the Federal Government, after which the Recovery and Accountability Transparency Board will determine the best approach for making this information available on Recovery.gov.

DEFINITIONS

Program performance reporting is the traditional grant program reporting normally completed in MEGS. This reporting is usually done on an annual basis and will be managed by the various MDE program offices. The office that awarded the grant will be the contact for program reporting and will notify you of any requirements and deadlines.

Final Expenditure reporting will be done using the Cash Management System and will follow the traditional means of reporting federal grant expenditures at the end of the grant period. Districts will be able to report expenditures at the end of the grant period or when funds are 100% expended, whichever comes first.

ARRA grants will also be included in the annual **Financial Information Database (FID) report**. The actual FID reporting requirements related to ARRA have not been totally resolved. However it appears that in order to comply with the recently released ARRA reporting requirements, districts will be required to utilize the State Code dimension of the accounting structure when reporting to the 2009-10 Financial Information Database due November 15, 2010. Standard “State Codes” are available in the Michigan Public School Accounting Manual, Appendix, Pages 49-58. The URL is: http://www.michigan.gov/mde/0,1607,7-140-6530_6605-21321--_00.html