

## **American Recovery and Reinvestment Act (ARRA) Funds Policy**

### **Policy**

It is the policy of Westfield State University (WSU) to comply with all federal, state and grant required directives, policies and procedures. The receipt of the American Recovery and Reinvestment Act (ARRA) funds places reliance on WSU Internal Controls and Procedures. In addition, the receipt of the ARRA funds requires the review and assurance that the WSU Internal Control Plan provides for the following ARRA grant specific compliance. This policy and the related procedures provide for the ARRA grant required controls.

### **Statement of Purpose**

- To comply with regulations, performance and reporting requirements, the university will designate personnel to serve as the lead on the award, perform the administrative duties and reporting associated with the ARRA funds receipt and disbursement.
- To ensure that all employees involved with ARRA funds are notified, support and comply with the related requirements, notices will be provided to impacted parties, with updates, guidance and follow up monitoring.
- To ensure that ARRA awards and related expenditures are accounted for separately from other federal activities, and reported separately, and to provide transparency and accountability, the ARRA funds will be accounted for separately.
- To ensure oversight of the receipt and disbursement of the ARRA funds, the regulations relating to the administration and the actual use of the ARRA funds will be monitored and reported on periodically.

### **Purpose**

To provide procedures to insure compliance with the University's ARRA Funds Policy. These procedures include internal control steps, administration, communication, reporting and monitoring related to the oversight of the ARRA Funds.

### **Procedure Guidelines**

The University Internal Control Plan Policies and Procedures will be updated in order to comply with all applicable requirements of the American Recovery and Reinvestment Act (ARRA) by inclusion of the ARRA Policy, these procedures and additional changes where deemed necessary.

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The University records will be updated to separately track ARRA records and funds

- Communication, documents, financial data and reports regarding the stimulus funds will be saved in a separate location designated for ARRA.
- Hard copy documents will be maintained in the Administration and Finance Division offices. Electronic documents will be saved to the Administration and Finance shared drive.
- Emails relating to ARRA funds will be so noted in the subject line.

Administration and oversight responsibilities:

- In lieu of any specific ARRA requirements, administrative and oversight authority will follow established university policies and procedures as directed by the Massachusetts Office of the State Comptroller.
- Security profiles will follow existing guidelines unless otherwise specified by ARRA guidelines.
- The university will designate an ARRA approver to oversee, review and approve ARRA activity.

Procedure for separate ARRA coding to track all inflows and outflows:

- A separate fund has been set up in the general ledger for ARRA activity.
- Each catalog of federal domestic assistance (CFDA) will be assigned a separate appropriation line within the Massachusetts Managements Accounting and Reporting System (MMARS) system.
- A separate revenue code will distinguish ARRA funds received from other appropriations and revenue streams.
- Separate program codes will be used, as necessary, within the fund to segregate individual projects/proposals.
- Approval of ARRA expenditures will be approved by the initiator following existing university policies and procedures. A final review and approval will be performed by a designated ARRA approver for all expenditures relating to an ARRA project. Currently, the designated ARRA approver is the Vice President of Administration and Finance.

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- All ARRA transactions will be processed through the Commonwealth's MMARS financial system using unique revenue source codes, program codes, receivable codes and location codes as established by the Massachusetts Office of the State Comptroller.
  - All ARRA transactions will be reconciled and interfaced into the university's accounting system, Banner Finance System and where applicable the Banner Student Records System.

Procedures for records management: tracking ARRA records, retention and accessibility, security of personal information (electronic and paper), including emails, correspondence, approvals, narratives:

- All ARRA records, documentation, etc. will be kept in one central location in the Administration and Finance Division offices.
- Record retention will follow applicable statutory requirements. Absent specific ARRA guidance, record retention will follow existing state regulation.

Internal data systems content/security; data reliability/integrity and security (MMARS)

- ARRA transactions will be processed in MMARS as required by the Massachusetts Office of the State Comptroller.
- The transaction will then be reviewed, reconciled and interfaced into the university's Banner general ledger system.
- Access to both systems will be granted on an as needed basis following established university protocol.

Decision making; justification, priority setting, disbursement justification approvals

- Decisions surrounding the potential use of ARRA funds should consider the three major principles guiding the expenditure of ARRA funds.
  - i. Funds should be spent quickly to save or create jobs.
  - ii. There should be transparency and accountability to ensure accurate and timely reporting on the use of ARRA funds.

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- iii. should be given to any onetime expenditures in order to minimize any adverse effect on the budget when the funds are depleted.
  - ARRA funds will be used for education and general expenses in such a way as to mitigate any potential fee increases.
  - ARRA funds may not be used:
    - i. To increase the university endowment
    - ii. To maintain existing equipment or facilities
    - iii. To renovate or repair any athletic facilities or facilities that charge admission to the general public
    - iv. To renovate or repair any facilities used (either fully or substantially) for sectarian instruction or religious worship.
    - v. In any instance where it violates, or potentially violates, the Commonwealths regulations.
  - Spending Proposals will be developed for each potential ARRA project. These proposals will include intended use of the funds, performance goals, and criteria to measure those goals.
  - Proposals must indicate the connection to the university's mission, benefits to the mission and include measurable objectives that results can be weighed against.
  - Spending Proposals will then be prioritized and reviewed by the Vice President of Administration and Finance and the Vice President of Academic Affairs. Recommendations will then be forwarded to the President for final approval
  - Spending proposals will include a budget. Any changes to the original budget must be approved by the designated ARRA approver.
  - Disbursement activity will follow established College protocol as stated above.

Disbursement documents (contracts, ISAs invoices, payments, sub recipient data, reporting.)

- ARRA disbursements will be processed using the standard state contracts, invoices, and payment forms unless other forms are specifically required.
- Existing internal university documents will be used and will follow existing university guidelines.

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- All ARRA documents will be submitted to the designated ARRA approver for final review before processing.

Reporting requirements, goal and performance verification and evaluations

- Interim reporting of ARRA transactions will follow the guidelines and timelines as established by the Massachusetts Office of the State Comptroller.
- Interim reports will be reviewed and approved by the Vice President of Administration and Finance prior to submission to the State.
- Interim reports should include information such as (but not limited to) the amount of ARRA funds received, how those funds were distributed and used, the number of jobs saved, any tuition and fee increase, enrollment data as prescribed by the Comptroller, a description of other projects funded by ARRA funds.
- At the conclusion of ARRA projects a final report will be prepared by the project initiator and submitted to the Vice President of Administration and Finance for review and to the President for final approval. The report should include a project narrative, budget (original and final), a comparison of project goals to actual accomplishments and other pertinent information. Results of the project will be verified and evaluated.

## Review

This policy is supplemented with the related ARRA Procedures. This policy shall be reviewed by the Vice President of Administration and Finance, and updated as necessary.