

Communication to Agencies concerning Policy 22 Monitoring Plans for FY2009-10
Dated: August 4, 2009

The Department of Finance and Administration (F&A) is issuing the following additional guidelines for FY 2009-2010 monitoring plans and any subsequent fiscal year monitoring plans that include American Recovery and Reinvestment Act (ARRA) awards. Please note that these guidelines are intended to supplement and not replace the existing Policy 22 guidance.

The basis for authority for F&A Policy 22 is *Tennessee Code Annotated*, Title 9, Chapter 18 and Office of Management and Budget (OMB) Circular A-133. Recently, the Addendum No. 1 to 2009 OMB Circular A-133 Compliance Supplement was issued to give additional guidance for programs with expenditures of ARRA awards. Based on this publication and others referenced below, F&A requests that all Policy 22 reporting agencies include the following information in their FY 2009-2010 monitoring plans:

1. Identify all ARRA grants on the spreadsheet.

The ARRA grants should be used in calculating compliance with the 1/3, 2/3 monitoring requirement. However, as the increased level of accountability increases the risk of ARRA grants, all ARRA grants should be assigned a risk level of either "Medium" or "High" and should not be assessed as "Low" risk.

2. Include a brief paragraph describing how the agency will ensure compliance with all Federal requirements in monitoring ARRA grant recipients/subrecipients. If applicable, include planned changes to internal controls and work processes due to increased funding from ARRA awards in the plan year. Include planned increases in staff and other resources to achieve compliance with Federal requirements.

Guidance for monitoring is found in the April OMB Guidance document and the Addendum 1 to 2009 OMB Circular A-133 Compliance Supplement. Other grant specific requirements may be included in award documents.

3. Identify any staff dedicated to ARRA grant monitoring.
4. Identify any additions to the agency monitoring guides and/or monitoring checklists specifically related to monitoring of ARRA grants.

Compliance with these additional requests will assist in meeting Federal guidelines for monitoring ARRA recipients/subrecipients and help ensure appropriate accountability and transparency of the monitoring process for ARRA grants.

Reference Documents

1. Updated Implementing guidance for the American Recovery and Reinvestment Act of 2009, M-09-15, April 3, 2009
2. Implementing Guidance for the Reports on Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009, M-09-21, June 22, 2009
3. 2009 OMB Circular A-133 Compliance Supplement – Part 6
4. Addendum No. 1 to 2009 OMB Circular A-133 Compliance Supplement

Go to www.tnrecovery.gov for a link to these documents.