



## Ten Key Provisions of Recovery Act Funding for Tribes

by Corrine Wilson, CPA | Moss Adams LLP

The American Recovery and Reinvestment Act of 2009 (ARRA), signed into law in February, has made significant additional federal funding available to tribes. However, ARRA requires separate and distinct provisions from other types of federal funding, and those provisions will prevail over existing self-determination regulations. Because of the many specific financial reporting requirements related to ARRA funding, there may be confusion about how to ensure compliance.

As of mid-June, the Bureau of Indian Affairs (BIA) has not yet issued any ARRA-specific award guidance. Indian Health Service (IHS), on the other hand, has begun to provide definitive guidance to help tribes obtain ARRA funding.

In a letter to tribal leaders dated June 1, 2009, IHS stated that ARRA funds will be distributed through either separate awards or through addenda to existing self-determination or self-governance contracts and compacts. According to IHS, in order for a tribe to receive ARRA funds, it must accept the addendum language without modification.



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## Ten Key Provisions (continued)

Here are some of the key provisions of the modification language tribes will have to comply with in exchange for receiving ARRA funding:

### > AVAILABILITY OF FUNDING

ARRA funds are considered onetime, nonrecurring funds and may be obligated only through September 30, 2010. This is different from most other self-determination funds, which are available until expended.

### > NO CONTRACT SUPPORT FUNDING

Tribes will need to ensure they can appropriately cover indirect costs from their own funding sources.

### > SEPARATE ACCOUNTING

Since the funds must be separately reported, tribes will need to establish a separate fund, program, or division within their accounting system to separately account for ARRA expenditures.

### > NO REALLOCATION OF FUNDS

Tribes will not have the flexibility to reprogram ARRA funds. The funds can be used only for the specified purposes in the award.

### > REPORTING REQUIREMENTS

With IHS ARRA awards, tribes must submit quarterly reports within ten days after each calendar quarter and report detailed information about ARRA funds received and expended.

### > PUBLIC ACCESS

Reports submitted by ARRA recipients will be posted online.

### > ADHERENCE TO TERMS AND CONDITIONS

Tribes may have to return ARRA funds if the federal awarding official determines noncompliance.

### > CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

For most ARRA awards, there will be separate CFDA numbers issued, which will need to be reported separately on the Schedule of Expenditures of Federal Awards for your annual Single Audit.

### > DAVIS-BACON ACT

The payment of prevailing wages to construction laborers under the Davis-Bacon Act is required for ARRA-funded projects.

### > BUY AMERICAN

Section 1605 of ARRA requires that iron, steel, and manufactured goods used for construction, alterations, maintenance, or repairs of public buildings or public works be made in the United States.

Planning ahead for the new awards will help you prepare for the impact of ARRA funds on your Single Audit.

## Single Audits Now Publicly Accessible

The Office of Management and Budget announced that beginning September 30 it intends to make all Single Audits available online at [www.recovery.gov](http://www.recovery.gov). This will allow the public to view and download your complete Single Audit Report and could be a concern to tribes that consider their annual financial statements confidential and proprietary information. We recommend you discuss this matter with your audit firm as soon as possible.



## Moss Adams at NAFOA Fall Conference

We're pleased to announce our participation in the Native American Finance Officers Association's fall conference, being held at Santa Ana Pueblo, near Bernalillo, New Mexico, September 8–10. Moss Adams senior manager Corrine Wilson will speak about ARRA and its impact on tribes, and Lars Landrie, a partner with the firm, will discuss how to develop an effective tribal investment committee. We look forward to meeting and talking with conference attendees.

