

# OFM Training

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## NASACT Audio Conference

**Class Description:** NASACT, in conjunction with the Association of Government Accountants and the Association of Local Government Auditors, is pleased to announce the latest in its series of audio conferences addressing timely issues in government auditing and financial management.

This audio conference will address the key issues surrounding administrative costs for activities relating to the American Recovery and Reinvestment Act (ARRA or the Recovery Act) signed into law on February 17, 2009. This monumental legislation placed many additional responsibilities on accountability professionals in state and local governments without designated funding.

To allow for the recovery of additional administrative costs, the U.S. Office of Management and Budget (OMB) issued guidance on May 11, 2009. This guidance provides grant recipients flexibility in recovering administrative costs related to carrying out Recovery Act programs and activities in a more timely manner.

In its memorandum, OMB outlined two alternatives to current A-87 procedures. In alternative 1, *Use of Estimated Costs for Centralized Services*, OMB is allowing the use of *budgeted or estimated costs* for the Recovery Act in the submission of the statewide cost allocation plan (SWCAP). Under alternative 2, *Billed Services*, a state submits the methodology for identifying, recording and charging billed services to Recovery Act grants. Under both alternatives, the administrative costs billed to Recovery Act programs are not to exceed 0.5% of total Recovery Act funds received by the state.

Both options, allowed currently under the provisions of OMB Circular A-87, provide flexibility for states to recoup the administrative costs related to Recovery Act activities quicker than would be permitted under traditional SWCAP processes. The outlined alternatives should enable states to obtain the resources necessary for enhancing their administrative capacity to meet the Recovery Act responsibilities.

States and local governments are currently trying to implement the provisions of OMB's guidance. Join us for this timely audio conference to learn about the requirements from the perspectives of OMB, the U.S. Department of Health and Human Services, and the states of Arizona and Colorado. A number of practical implementation issues will be discussed. In addition, participants will be able to address questions to the speakers during a live Q&A session.

This audio conference offers something for all government auditors, financial statement preparers, budget officers and other government officials who want to know more about the recovery of administrative costs under ARRA.

**Target Group:** Auditors and Accountants