



New York State
Division of Housing and Community Renewal

M E M O R A N D U M

To: All Weatherization Subgrantees
From: ERSB Reporting Unit
Date: August 21, 2009
Subject: ARRA Funds to Require Separate Bank Account

The American Recovery and Reinvestment Act (ARRA) provides for Weatherization funding at an unprecedented level. Accordingly, the United States Department of Energy (USDOE), the General Accounting Office (GAO), and the Office of Management and Budget (OMB) have advised the states that the process for implementing ARRA funds should be transparent and accountable. With the expectation of huge funding comes the equally weighty responsibility to account for those funds. We will be expected to maintain these funds in a manner which is highly transparent since their oversight will be at unprecedented levels.

As found in the risk management area of ARRA, the following are the fiscal accountability objectives:

- Recipients and uses of funds are transparent to public;
- Funds are used for authorized purposes and instances of fraud, waste, error and abuse are mitigated; and,
- Projects avoid cost overruns.

Since we are tasked with the responsibility to account for these funds in a proper and transparent manner, we are requiring each subgrantee to establish a dedicated bank account for purposes of accounting for the ARRA funds.

While it may seem initially to be a burden on your fiscal resources to implement this policy, we did provide additional resources to cover whatever additional costs you may incur. We believe this additional safeguarding will discourage whatever opportunity may have existed for blending or combining ARRA funds with other resources. We believe this policy is responsible and meets the intent of federal authorities.

Questions related to this policy may be directed to your fiscal field representative.