



FRANK DREW
CHAIRMAN

ROBYN M. DE SOCIO
EXECUTIVE SECRETARY

W.J. KUCHARSKI
CRAIG M. BURNS
EX-OFFICIO MEMBERS

COMMONWEALTH OF VIRGINIA

Compensation Board

P.O. Box 710
Richmond, Virginia 23218-0710

July 8, 2010

EMAIL MEMORANDUM

TO: County Administrators and City Managers Addressed
Regional Jail Authority Chairmen Addressed

CC: Sheriffs and Regional Jail Superintendents Addressed
Treasurers and Finance Directors Addressed

FROM: Robyn M. de Socio, Executive Secretary

RE: Conversion of FY10 Reimbursements to Federal Monies

I write to provide you with information regarding the transfer of FY10 reimbursement expenses from Commonwealth general fund dollars to federal stimulus dollars pursuant to the American Recovery and Reinvestment Act (ARRA), specifically State Fiscal Stabilization Funds – Government Services (SFSF).

As many of you are aware, a decision was made at 2009 fiscal year-end to convert prior state general fund reimbursements of payroll and expenses for Sheriffs' offices and Regional Jails to federal stimulus funds. This conversion was handled centrally by state finance agencies, but communicated to you through the Compensation Board. In April, 2010 I notified you that the caboose bill (HB29) included a proposal that was approved by the 2010 General Assembly to also supplant at 2010 fiscal year-end prior general fund reimbursements for Sheriffs' offices and Regional Jails with Recovery Act State Fiscal Stabilization Funds.

This was not a funding reduction item, but has resulted in the reassignment of prior reimbursements from state general fund dollars in the amount of \$109 million statewide to federal stimulus dollars in FY10. Attached to this memorandum is a spreadsheet identifying reimbursement payments made to each locality for monthly payroll and expense amounts in the Sheriff's Office or Regional Jail for the months of July, 2009 through April, 2010. Also included in the chart is a column identifying the dollar amount for each office/jail expense that was transferred from Commonwealth general fund dollars to federal stimulus funds. The transferred amounts represent a portion of salary and fringe benefit expenses for Compensation Board funded deputy and staff positions for the covered months. Please see the end of this communication for additional information regarding background, eligibility of expenses for federal funds use, and requirements.

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Next week, the Compensation Board will provide a database containing a specific listing of expenditures by position/individual for these months, and will identify the amount of the federal funds specifically attributed to each individual's salary for this period. This detailed information will be used by the Commonwealth to report on the number of positions covered by federal stimulus funds to meet the federal quarterly reporting requirements of the ARRA.

Please ensure you provide this information to the appropriate finance personnel, so that funds originally received in FY10 as Commonwealth revenues can be properly identified as federal funds as a part of closing out your FY10 finances. If you have any questions regarding this communication, or need additional information, please feel free to contact me at robyn.desocio@scb.virginia.gov or 804.225.3439, or contact Charlotte Lee at charlotte.lee@scb.virginia.gov or 804.225.3366.

Attachments

C: Compensation Board Members
Lisa Hicks-Thomas, Secretary of Administration
David A. Von Moll, State Comptroller
Daniel S. Timberlake, Director, Department of Planning and Budget
Anne Wilmoth, Chief Information Officer
Charlene Rollins, Customer Service Manager
Charlotte Lee, Budget Manager
Regina Hill, Senior Fiscal Technician, Sheriffs and Regional Jails

Additional Background Information and Use of Federal Funds to Support Personnel Costs

The Compensation Board reimburses localities and regional jails monthly for expenses incurred in the previous month in support of the operations of the Sheriff's office or regional jail. These expenses include salaries and benefits of personnel performing all duties and functions supporting the operation of the Sheriff's office or regional jail. These expenses have historically been supported with state general fund dollars.

The ARRA SFSF monies are being disbursed through the Compensation Board to local governments and regional jails for the purposes of supplanting previous FY10 state general fund reimbursements supporting the salaries and benefit expenses of personnel in sheriffs' offices and regional jails. With the exception of elected positions and those running for elected positions, all salary and benefit expenses previously reimbursed by the Compensation Board using state general fund dollars are eligible expenses to be paid with ARRA SFSF monies (Note that salaries and benefit expenses paid with federal ARRA Edward Byrne Memorial Justice Assistance Grant (JAG) monies are not a part of this transfer).

You currently retain personnel documentation to support classification, salary levels approved, and requests for reimbursement for actual expenses incurred in the support of your Compensation Board funded sworn personnel. Each month, the Compensation Board requires that the Sheriff or Regional Jail Superintendent, and the County Administrator, City Manager, Jail Board Chairman, or his/her delegate, each certify that personnel records and expenses incurred for support of all personnel are accurate and that funds sought for reimbursement from the Compensation Board represent actual expenses that have been incurred and that have been already paid by the locality.

Please note that the Commonwealth, as the Prime Recipient of the federal stimulus grant funds, will maintain responsibility for fulfilling the federal reporting requirements for this distribution. However, you must maintain the detailed disbursement information we are providing for your records in the event this distribution of funds to your locality or regional jail should trigger a federal single audit or modify current single audit procedures. You will want to maintain this information for accounting and audit purposes, to support the receipt of federal funds in your locality, and recognizing that it will be the source used by the Commonwealth for meeting federal reporting requirements.

The Compensation Board notified you earlier in FY10 of the requirement that, as sub-recipients of federal funding disbursed through the Compensation Board, you must have or obtain both DUNS (Dun & Bradstreet) and CCR (Central Contractor) registrations. The Compensation Board has maintained your submitted verifications of DUNS and CCR this year in support of the conversion of these funds.

For your information for accounting purposes, the Catalog of Federal Domestic Assistance (CFDA) number for this federal funding stream (ARRA - State Fiscal Stabilization Funds – Government Services) is 84.397.