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**Date:** June 26, 2009 **Code: AD 09-01**

**To:** Financial Managers  
Accounting Officers  
Budget Officers

**From:** George V. Ashkar  
Senior Director, Controller  
Financial Services Accounting

**Subject: ARRA Federal Stimulus Funding for FY0809**

The CSU has received a Federal Stimulus grant under the American Recovery and Reinvestment Act of 2009 (Recovery Act) which will be used to restore reductions in state appropriations. CSU has decided to use this funding to partially support CSU Operating Fund Salaries and Benefits.

This is a new federal grant which has all of us scrambling, including the state. We met early this week with the Federal auditors and KPMG to interpret the guidelines and understand the requirements. After much discussion, we have determined that in order to properly comply with the grant funding we will require all campuses to record the May and June 2009 funding and payroll expenditures as follows:

- A new PeopleSoft fund within CSU Fund 485 that will map to “restricted other” net asset category will need to be created by each campus using FNAT Key # 128955
- The PFA transaction to move payroll expenditures from **the new restricted PeopleSoft fund within CSU fund 485** to the General Fund 001 will require the use of a new object code **690006 ARRA grants expenditure offset** which is mapped to a new GAAP account **723011** and State GL account **9000**
- Finally, each campus will need to transfer salary and benefit expenditures into the new restricted PeopleSoft fund within CSU fund 485. Rather than going through LCD, KPMG has agreed that a 7 line journal entry with a *Payroll Details Report* for the CSU Operating fund attached will be sufficient back up to meet the A133 Audit Requirements. Each campus should use May and June amounts of the 6 major object codes listed below in CSU 485 to determine the allocation percentage for the transfer to the new restricted PeopleSoft fund within CSU fund 485:
  - 601100 – Academic salaries
  - 601201 – Management & supervisory
  - 601300 – Support staff salaries
  - 603001 – OASDI

**CSU Campuses**  
Bakersfield  
Channel Islands  
Chico  
Dominguez Hills  
East Bay

Fresno  
Fullerton  
Humboldt  
Long Beach  
Los Angeles  
Maritime Academy

Monterey Bay  
Northridge  
Pomona  
Sacramento  
San Bernardino  
San Diego

San Francisco  
San José  
San Luis Obispo  
San Marcos  
Sonoma  
Stanislaus

- 603004 – Health & welfare
- 603005 – Retirement

After the allocation, the total salary and benefit expenses in the new restricted PeopleSoft fund within CSU fund 485 should equal to the amount indicated in the ADNOATs. In other words, the debit of total salary and benefit expenses should equal to the credit of ARRA grants expenditure offset (690006) in the new restricted PeopleSoft fund within CSU fund 485. This level of detail is needed to meet the A133 requirements.

The previously issued ADNOAT 09-027 will be reversed and a new ADNOAT will be issued with revised accounting instructions.

We realize this is short notice and a difficult time of year but we have been waiting for guidance from the State Auditors on these requirements. If you have any questions, please contact Kelly Cox at (562) 951-4611 or e-mail [kcox@calstate.edu](mailto:kcox@calstate.edu) .

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