

RE: ARRA Section 1512 Reporting Requirements and Sanctions for Not Reporting.

I am writing to remind you of your reporting obligations under Section 1512 of the American Recovery and Reinvestment Act of 2009 (ARRA). As a recipient of ARRA funds (Recipient) from the U.S. Department of Education (Department), Section 1512 of ARRA requires that, not later than 10 calendar days after the end of each calendar quarter, you shall submit a report (Section 1512 Report) online at www.FederalReporting.gov that details how your ARRA funds are being spent. Your next reporting period opens on October 1, 2010. You will be able to timely file a Section 1512 Report by accessing the online reporting tool at www.FederalReporting.gov until October 10, 2010. After October 10, 2010 the reporting tool will no longer allow any Recipient to file a Section 1512 Report for that quarterly reporting period.

A condition of receiving ARRA funds is the requirement that you timely file a report, pursuant to Section 1512 of ARRA, on the use of those funds. The Department attached this condition to your Grant Award Notification (GAN), the document that notified you that the Department made an award of ARRA funds to you. On April 6, 2010, President Obama issued a “Memorandum for the Heads of Executive Departments and Agencies regarding Combating Noncompliance with Recovery Act Reporting Requirements.” In the memorandum, the President requires federal agencies to hold Recipients who fail to submit a Section 1512 Report accountable “to the fullest extent permitted by law.” On May 4, 2010, Office of Management and Budget (OMB) Director Orszag issued guidance, following-up on the President’s memorandum, in which OMB directs federal agencies to take appropriate actions to enforce the ARRA reporting requirements, including suspending and withholding funds or terminating the award.

In accordance with President Obama’s directive and OMB’s guidance, your failure to file a Section 1512 Report on www.FederalReporting.gov will be considered by the Department to be a substantial failure to comply with the terms and conditions of your award under 34 CFR 80.43. If a Recipient fails to file a Section 1512 Report, it will be expected to work with the Department’s program office (Program Office) to remove any obstacles to complying with Section 1512 of ARRA during the next quarterly reporting period and to submit a plan for how it intends to ensure it will file a timely report the next time. **If you fail to comply with Section 1512 of ARRA for two consecutive reporting periods, the Department will begin an action to withhold payments on your ARRA award in accordance with 20 U.S.C. §1234d. The Department will strongly consider suspending payment of your ARRA funds, suspending your authority to obligate ARRA funds, or both, pending the outcome of the withholding action.**

It is important that Recipients understand the serious consequences of noncompliance with the ARRA reporting requirement. Section 1512 reporting is the fundamental way that Recipients demonstrate that they are accountable for the proper expenditure of their ARRA funds in a transparent and public manner. While the Department does not anticipate that Recipients of ARRA funds will fail to file Section 1512 Report(s), the Department is prepared, “to the fullest

extent permitted by law,” to sanction Recipients who do not comply with Section 1512 of ARRA. The Department is ready to provide you with technical assistance that you might need in order for you to comply with Section 1512 of ARRA. Additionally, the Department continues to update its September 2009 guidance to Recipients on the required content of Section 1512 reporting at <http://www2.ed.gov/policy/gen/leg/recovery/index.html>.

Please contact me at Lauren.Scott@ed.gov if you have questions regarding Section 1512 reporting procedures or a Recipient’s obligation to report.

Sincerely,

Lauren Scott