



STATE OF ARKANSAS  
**Department of Finance  
and Administration**

**OFFICE OF INTERGOVERNMENTAL SERVICES**

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**MEMORANDUM**

TO: Institutions of Higher Education Receiving State Fiscal Stabilization Fund-Education Stabilization Funds

FROM: Ann Purvis, Administrator *Ann Purvis*

DATE: February 2, 2010

RE: Payment of Regular Employee Payroll as an Allowable Use of the State Fiscal Stabilization Fund-Education Stabilization Subgrant Awards for FY 2010 and FY 2011

There have been several questions asked regarding whether the payment of IHE payrolls with State Fiscal Stabilization Fund-Education Stabilization Fund (ESF) Awards is allowable. Arkansas Institutions of Higher Education (IHEs) may use both fiscal years 2010 and 2011 awards to pay for the salaries of employees, as well as fringe benefits. These funds were designed to assist IHEs in mitigating state funding reductions. The funds created by using federal funds to reimburse for salaries may be used by the IHE for other purposes as determined by the Institutions.

Requested Documentation

The Institution must provide adequate documentation of such salary payments such as a payroll journal or remuneration statement. Documentation showing the payroll run being deducted from the bank account is also expected to ensure that it is the final payroll run being submitted for reimbursement. The documentation sent for reimbursement will depend on the amount of funds used for temporary payment of salary and fringes, as well as how many employees were paid. Sending in a remuneration statement for a large number of employees would be difficult, but more than just a simple spreadsheet is expected. Please redact any employee social security numbers, as well as any other personal identifying or proprietary information.

If you have any questions or concerns regarding this memo, please contact Erin Gildner, DFA-IGS Grants Coordinator at (501) 682-1468 or [Erin.Gildner@dfa.arkansas.gov](mailto:Erin.Gildner@dfa.arkansas.gov).