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EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER
PUBLIC UTILITIES COMMISSION

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF ECONOMIC RECOVERY
AND REINVESTMENT (ARRA)

November 15, 2012

To: Department Heads and Head of State Entities

From: Dean Seki, Comptroller *DS*
Kalbert Young, Director of Finance *KY*
Kimberly Yoshimoto, Office of the Lt. Governor *KY*

Subject: Federal Award Management

We recently requested input from your program staff that work with federal grants to identify the functional requirements that they felt will be necessary to manage federal awards in the new Enterprise Resource Program (ERP). Their input has been incorporated into a Request-for-Proposals (RFP) for the new ERP and a RFP is expected to go out to potential vendors in early 2013. Implementation of the new ERP will require significant resources and it will likely be several years before a grants management system is in place.

In the meantime, we are planning changes to the current federal award management process to achieve the following objectives:

1. Establish a Federal Award Accountability System (FAAS) to organize and document the state's federal awards system and provide centralized guidance to state entities on how to manage federal awards.
2. Produce quarterly financial reports on federal awards from FAMIS.
3. Produce the Single Audit "Schedule of Expenditures of Federal Awards" (SEFA) from FAMIS.
4. Post information on the use of federal funds by state entities on a public website.
5. Prepare for the implementation of a new state financial accounting and management system that will include a federal awards management system.
6. Prepare for the implementation of the federal Digital Accountability and Transparency Act (DATA).

Mark Anderson will be convening grant hui meetings to organize how federal awards are being managed. We ask that you designate someone from your department or state entity with significant programmatic and fiscal experience in the management of federal awards to participate in these meetings. Please email the name of your representative to Mark Anderson by November 23, 2012. Should you have any questions, please contact Mark at 586-3035. Thank you.

c: Mark Anderson, Dept. of Budget & Finance