



STATE CONTROLLER'S BULLETIN

Terry Brann
State Controller

Ellen Jane Schneiter, Commissioner
Administrative & Financial Services

Bulletin #FY11-02

SUBJECT: Federal Funding and Accountability and Transparency Act

DATE: September 22, 2010
TO: Agencies Federal Programs
FROM: Terry Brann, State Controller

Federal Awards [**non-ARRA (recovery act)**] received by State agencies on or after October 1, 2010, are subject to new reporting requirements pursuant to the Federal Funding Accountability and Transparency Act (FFATA).

FFATA Overview

FFATA was signed into law in September of 2006 and requires that information on federal contracts and awards be made available to the public via an easy to use single, searchable website, www.usaspending.gov. Guidance for implementation of FFATA has been slow to date; however, In January of 2009, the U.S. President issued a Memorandum on Transparency and Open Government instructing the Office of Management and Budget (OMB) to direct federal agencies to take further steps toward transparency. In response OMB issued two documents: 1) an Open Government Directive issued in December of 2009 and 2) a memorandum on the Quality of Federal Spending Information issued in April 2010 that established an October 1, 2010, deadline for Federal agencies to initiate sub-award reporting and provided a timeline for additional guidance to assist agencies in meeting these goals. On August 27, 2010, OMB issued the Open Government Directive – Federal Transparency through Subaward and Executive Compensation Reporting which provides federal agencies and prime award recipients with guidance to implement the FFATA reporting requirements.

Summary of FFATA Reporting Requirements for Federal Grants

In accordance with the August 27, 2010, guidance for all **non-ARRA federal grant awards** received on or after October 1, 2010, prime award recipients (state agencies) are required to report specific award data elements for the prime award and first tier subawards. However, unlike ARRA 1512 reporting, Federal agencies are required to populate most of the FFATA prime award data elements through interfacing with other federal reporting systems. The guidance holds the prime recipient responsible for reporting prime recipient executive compensation information, and first tier subaward data elements and executive compensation information. As well as reviewing the pre-populated prime award data elements for accuracy and completeness.

Prime award and subaward data elements include:

- Federal award number
- Federal agency name
- Awardee name
- Awardee DUNS
- Awardee address
- Awardee Principal Place of Performance
- CFDA # and Program title
- Project Description
- Total Federal Funding Award Amount
- Subaward date (time period by month and year for subawards made against the award)
- The names and total compensation of the five highest-paid officers of an entity if, in the preceding fiscal year, that entity received: 80% or more of its annual gross revenues in Federal awards, \$25,000,000 or more in annual gross revenues from Federal awards, and the public does not already have access to data on executive compensation through reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934, or section 6104 of the Internal Revenue Code of 1986
- Prime awardees must report the following information for all subawards of \$25,000 and over:
 - DUNS
 - Name
 - DBA Name
 - Address
 - Parent DUNS
 - Amount of subaward
 - Principal Place of Performance
 - Names and Compensation of Highly Compensated officials if applicable
 - Subaward project description

As implementation begins, further information may be required by OMB (start preparing for reporting vendor activity and other non-confidential financial activity in the future)

Please also note that the prime recipient must register in the Central Contractor Registry (CCR) and in the FFATA Sub-award Reporting System (FSRS) in order to review and enter FFATA reporting data.

State Implementation of FFATA

Due to the large number of federal awards that state agencies manage, the Office of the State Controller (OSC) and the Office of Information Technology do not have the resources necessary to develop a central reporting system, train and support users, perform quality control reviews and submit the data using a centralized approach for each monthly reporting cycle. Therefore, the decision has been made to decentralize the FFATA reporting requirements for all non-ARRA federal awards and allow agencies to independently comply with OMB's requirements. The current centralized reporting process will still exist for all **ARRA awards subject to 1512 reporting**.

The Office of the State Controller and Office on Information Technology staff will be available to provide technical support as needed.

FFATA Reporting Timeline

FFATA reporting will begin on October 1, 2010, and be on a rolling basis with the reporting trigger being the time of the award. Recipients will have until the end of the month following the month the subaward or obligation was made. For example, an award made on November 15 would have to be reported by December 31, 2010 (i.e., the remainder of November plus the following month). Federal awards less than \$25,000 are exempt as are awards to individuals, entities that had a gross income, from all sources, of less than \$300,000 in the entity's previous tax year, and any awards that would disclose classified information. Only new awards are covered, so grants awarded under prior fiscal years are not included. Additionally, **ARRA awards reported as required by the Recovery Act do not have to be re-reported under the FFATA guidance**.

Additional Guidance

FFATA reporting requires agencies to be registered with Dun and Bradstreet to receive a DUNS (data universal numbering system). Agencies must also maintain an active registration with the Central Contractor Registration System (CCR).

In order to limit the size and maintain the integrity of our Statewide DUNS family tree, which links all state agency DUNS associated with our State central DUNS (the parent), we ask that you please contact April Newman, april.d.newman@maine.gov, in the OSC if you need assistance locating your agency DUNS or have questions regarding your agency's DUNS or CCR registrations. Please do not create a new registration before contacting us.

Additionally, it is important to keep DUNS and CCR business contact information current. Contact information updated in CCR will be automatically updated in the DUNS registration system as well.

When developing agreements with external organizations and other state agencies, properly identifying if the arrangement constitutes a contract with a vendor for goods or services or a grant (subaward) to a subrecipient is critical for ensuring compliance with the FFATA reporting as well as meeting other federal compliance requirements. The regulations contained in § .210 of OMB Circular A -133 provide the guidance and test necessary to assist in making this determination. Guidance is also provided in Controller's Bulletin FY05-05.

Agreements should instruct subrecipients to provide the FFATA reporting information on a timely basis. We suggest including the FFATA reporting elements within the final agreement with the subrecipient. This would include Name, Address, DUNS, Primary place of performance, Project description, and Executive compensation

Disbursements to subrecipients should be properly coded to the 6100, 6300, and 6400 series of object codes. Expenditures associated with payments to vendors for contracted goods or services should not be coded to the 6000 series of accounts. Our auditors will be reviewing activity coded to these object codes when testing for compliance with FFATA reporting.

Agencies must implement effective control measures to ensure that subawards are reported timely and accurately, total subawards reported for an award do not exceed the prime award total and as always that confidential information is adequately protected from being reported. OSC will be issuing additional quality assurance guidance as this guidance becomes available from OMB.

FFATA reporting is also required when entities receive a contract from the Federal Government to provide goods or services. The FFATA reporting for contracts is different than the reporting for grants. Please contact the OSC if your agency has received a contract from the federal government.

Questions or concerns regarding FFATA reporting should be directed to Ruth Quirion ruth.quirion@maine.gov or your agencies OSC financial reporting liaison.

Resources

Federal Spending Transparency: www.USASpending.gov

OMB's website for Federal Spending Transparency: www.whitehouse.gov/omb/open

FFATA Sub-award Reporting System: www.fsr.gov

OSC FFATA Intranet site (coming soon)