Financial Assistance
DOT Dash 2010-06

Date: September 20, 2010

To: Financial Assistance Management Division
Agency Points of Contact

From: Office of the Senior Procurement Executive (OSPE)
Financial Assistance Management Division

Subject: Federal Spending Transparency and Sub-award Compensation Data Reporting

Summary: The purpose of this DOT Dash is to inform the Operating Administrations (OAs) of updated guidance, dated August 27, 2010, from the Office of Management and Budget (OMB)—the Open Government Directive Related to Federal Spending Transparency and Sub-award and Compensation Data Reporting.

Background: The Federal Funding Accountability and Transparency Act (FFATA) of 2006, requires that information concerning Federal awards be made available to the public via an easy to use, single, searchable website. The FFATA requirement for Federal agencies' sub-award information to be posted to USASpending.gov was never fully implemented. The OA's financial assistance (grants, cooperative agreements, loans & other types of financial assistance) grantees who receive an award over $25,000 must report 1st tier sub-award data along with executive compensation salaries.

The attached OMB guidance directs the OAs to:

- Require prime awardees to report first-tier sub-awards associated with new Federal grants as of October 1, 2010 (Appendix A);
- Require prime awardees to report executive compensation for new Federal grants as of October 1, 2010, as previously set forth in FFATA legislation;
- Require prime awardees to register through the Central Contractor Registration (CCR) system:
- Ensure alignment of OA grant information systems and processes to meet these reporting requirements (Appendix B, Awardee Reporting Architecture); and

- Agency participation with the development of a long-term architecture to facilitate the availability of other Federal spending information (e.g., loans, and other types of financial assistance).

Updated guidance for future reporting and transparency requirements will be provided as received from OMB. If you have any questions or concerns, please contact Ellen Shields at 202-366-4268 or Ellen.Shields@dot.gov .

Pamela S. Lynch for
Ellen Shields

Ellen Shields
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Attachments

Appendix 1

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

August 27, 2010

MEMORANDUM FOR SENIOR ACCOUNTABLE OFFICIALS

FROM: Jeffrey D. Zients
Deputy Director for Management

SUBJECT: Open Government Directive – Federal Spending Transparency and Subaward and Compensation Data Reporting

Increasing transparency and improving access to Federal Government information, particularly information on Federal spending, is a primary objective of Open Government. To that end, this Memorandum provides Federal agencies with guidance on reporting subaward and compensation data for Federal contracts and grants. As required by the Federal Funding Accountability and Transparency Act[1] ("Transparency Act" or "FFATA") and subsequent OMB guidance, information on the first-tier subawards related to Federal contracts and grants and the executive compensation of awardees must be made publicly available. This memorandum and accompanying documents provide agencies with guidance to implement these reporting requirements.

Federal agencies must continue efforts to increase the availability of public information related to Federal spending and to improve the data quality of information so reported. To provide the public access to information on Federal spending through USASpending.gov, this Guidance directs agencies to:

- Require prime awardee reporting of first-tier subawards associated with new Federal contracts and grants as of October 1, 2010 (Appendix A);
- Require prime awardee reporting of executive compensation for new Federal contracts and grants as of October 1, 2010, as set forth in FFATA;
- Require prime awardees of Federal grants to register in the Central Contractor Registration (CCR) system;
- Ensure alignment of agency systems' and processes to meet these reporting requirements (Appendix B, Awardee Reporting Architecture); and
- Participate in the development of a long-term architecture to facilitate the availability of other Federal spending information (e.g., loans, other assistance).

The Guidance and Awardee Reporting Architecture contained in this Memorandum leverage existing information and processes to enhance data quality and data integrity, both of which are necessary to provide complete public access to Federal spending information. The Awardee Reporting Architecture delineates how existing systems, platforms, business processes,

[1] P.L. 109-282, as amended by section 6202(a) of P.L. 110-252 (see 31 U.S.C. 6101 note).

and technologies will work in synergy to pre-populate, collect, and report Federal spending information. Sub-award information for Federal contracts and grants will be collected using a single collection tool.

Following this Guidance and Awardee Reporting Architecture, OMB will also issue additional guidance on data quality guidelines and the scope of reporting for sensitive but unclassified information.

To continue our partnership and collaboration with the public, OMB and Federal agencies shall jointly initiate aggressive outreach to the public stakeholders. This outreach will serve two important ends. First, it will provide opportunities to educate stakeholders on the Transparency Act's subaward and compensation data reporting requirements. And second, it will serve as a forum to solicit continued input on Federal spending transparency initiatives.

I appreciate your hard work in ensuring that our Federal Government continues to provide the public with necessary government spending information. If you have any questions regarding this Memorandum, please contact Karen Lee at klee@omb.eop.gov.

Attachments

Appendix A - Subaward and Executive Compensation Data Reporting.pdf

Appendix B - Awardee Reporting Architecture.pdf

APPENDIX A

Guidance for Federal Spending Transparency: Subaward and Executive Compensation Data Reporting Requirements for FFATA Implementation

A. GENERAL OVERVIEW

1. What are the main components of this guidance?

This Guidance outlines the requirements for Federal Agencies and prime contractors and prime grant and cooperative agreement[1] awardees (collectively "prime awardees") for reporting subaward and executive compensation data pursuant to the Federal Funding Accountability and Transparency Act of 2006 and associated 2008 amendments (the "Transparency Act" or "FFATA"). This Guidance specifically delineates Transparency Act reporting requirements related to Federal grants. Detailed reporting requirements related to Federal contracts are located in the FAR Interim Final Rule, published on July 8, 2010.[2]

2. What Transparency Act requirements are met by this Guidance?

The Transparency Act requires information disclosure concerning entities receiving Federal financial assistance through Federal awards such as Federal contracts, sub-contracts, grants, and sub-grants. See 31 U.S.C. 6101 note.

Specifically, the Transparency Act's section 2(b)(1) requires the Office of Management and Budget ("OMB") to ensure the establishment of a publicly available website that contains the following information about each Federal award:

- name of the entity receiving the award;
- amount of the award;
- information on the award including transaction type, funding agency, the North American Industry Classification System code or Catalog of Federal Domestic Assistance number, program source,[3] award title descriptive of the purpose of each funding action;
- location of the entity receiving the award and primary location of performance under the award, including city, State, congressional district, and country;
- unique identifier of the entity receiving the award and the parent entity of the recipient, should the entity be owned by another entity;[4] and
- names and total compensation of the five most highly compensated officers of the entity if the entity in the preceding fiscal year received 80 percent or more of its annual gross

[1] For the purposes of this Guidance, subsequent use of the term "grants" will include reference to both grants and cooperative agreements.
[2] http://www.regulations.gov/search/Regs/home.html#documentDetail?R=0900006480b14fa4
[3] Treasury Account Symbol (TAS) will continue to be used as the official Program Source. *See* OMB M-09-19 at 12.
[4] Unique identifier used is the entity's Dun & Bradstreet (D&B) DUNS Number. *See* OMB M-09-19 at 11.

revenues in Federal awards; and $25,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. See FFATA § 2(b)(1).

Beginning October 1, 2010, this Guidance directs compliance with the Transparency Act to report prime and first-tier subaward data. Federal agencies and prime awardees will report to ensure disclosure of Federal contract and grant subaward and executive compensation data.

This Guidance and accompanying Awardee Reporting Architecture also fulfill the requirements delineated in OMB's April 6, 2010 Memorandum.[5] The Awardee Reporting Architecture documents how the existing systems and reporting requirements to USASpending.gov and FederalReporting.gov are leveraged to minimize burden to both Federal agencies and prime awardees, while ensuring compliance with the Transparency's Act requirements for disclosure.

3. What other documents are associated with the October 1, 2010 implementation of the Transparency Act's subaward and executive compensation data reporting?

In addition to this Guidance and associated Awardee Reporting Architecture, other relevant documents critical to the October implementation of subaward and executive compensation data reporting related to Federal contracts and grants include:

- The FAR Interim Final Rule implementing requirements for reporting associated with Federal contracts, pursuant to the Transparency Act, *available at* www.regulations.gov/search/Regs/home.html#documentDetail?R=0900006480b14fa4;
- Interim Final Guidance for Grants, providing standard terms and conditions for grants-related reporting, pursuant to the Transparency Act [insert link];
- Final guidance for Grants, requiring prime grant awardee registration into the Central Contractor Registration System ("CCR") [insert link];
- Paperwork Reduction Act Information Collection of Central Contractor Registration Requirements for Prime Grant Recipients, OMB Control No. 3090-0290, *available at* http://www.reginfo.gov/public/do/PRAMain
- Paperwork Reduction Act Information Collection of FSRS Registration and Prime Awardee Entity-Related Information Reporting Requirements which will collect subaward and executive compensation data, pursuant to the Transparency Act, OMB Control No. 3090-0291, *available at* http://www.reginfo.gov/public/do/PRAMain
- Paperwork Reduction Act Information Collection of FFATA Subaward and Executive Compensation Reporting Requirements, OMB Control No. 3090-0292, *available at* http://www.reginfo.gov/public/do/PRAMain

[5] http://www.whitehouse.gov/omb/assets/open_gov/OpenGovernmentDirective_04062010.pdf

B. CURRENT REPORTING PURSUANT TO THE TRANSPARENCY ACT AND THE RECOVERY ACT

Currently, prime contractors and prime recipients may be subject to reporting requirements under the Transparency Act, American Recovery and Reinvestment Act ("Recovery Act"), or both.

1. When a Federal contract is awarded, what are the current requirements for reporting?

Reporting requirements for Federal contracts, including those awarded under the Recovery Act, are outlined in the Federal Acquisition Regulation as well as supplemental policy documents. Information related to Federal contracts and contractors is maintained in a variety of systems. References and additional information may be found through www.acquisition.gov.

2. When a Federal grant is awarded, what are the Federal agencies' current requirements for reporting?

Pursuant to the Transparency Act, Federal agencies are directed to report Federal grant data to USASpending.gov, to ensure compliance with FFATA. Specifically, agencies submit data elements in the FAADS PLUS ("FAADS+") format, which includes data in the existing Federal Assistance Award Database System ("FAADS"), plus additional data elements required by the Transparency Act and the Recovery Act, respectively. *See* OMB M-09-19, § 7. The information provided in the FAADS+ file is used to populate prime awardee information in USASpending.gov, pursuant to the Transparency Act.

For compliance with Section 1512 of the Recovery Act,[6] FederalReporting.gov requires quarterly reporting of Recovery Act-funded subaward information by either the prime awardee, or, if delegated, the subawardee. *See* FederalReporting.gov User Guide, *available at* https://www.federalreporting.gov/federalreporting/downloads.do#docs.

[6] Compliance with Section 1512 of the Recovery Act includes the subaward reporting requirements under the Transparency Act. Recovery Act § 1512(c)(4) ("Detailed information on any subcontracts or subgrants awarded by the recipient to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282)").

C. HOW WILL THIS GUIDANCE FURTHER THE GOALS OF THE TRANSPARENCY ACT, IN ACCORDANCE WITH THE APRIL 6, 2010 OMB MEMORANDUM?

With the implementation of this Guidance and accompanying FAR rule, the public will be able to access subaward and executive compensation data for Federal contracts and grants. This information will be available at USASpending.gov.

This Guidance furthers the goals of the Transparency Act by providing subaward and executive compensation data associated with Federal contracts and grants beginning October 2010. This Guidance also satisfies the requirements in April 6, 2010, OMB Memorandum to Senior Accountable Officials. By leveraging existing systems and platforms, the reporting requirements burden has been minimized. Further, prime awardees of either Federal contracts or grants subject to the Transparency Act will use the same system, the FFATA Subaward Reporting System ("FSRS"), to report subaward information. Use of a shared platform will reduce reporting burden associated with an entity that has been awarded both Federal contracts and grants subject to the Transparency Act.

D. WHAT IS THE SCOPE OF REPORTING REQUIREMENTS UNDER THIS GUIDANCE?

This Guidance delineates first-tier subaward and executive compensation reporting requirements associated with Federal contracts and grants awarded on or after October 1, 2010, other than those funded by the Recovery Act. Grant awards whether existing or new as of October 1, 2010 that are funded by the Recovery Act will continue to report for those awards and subawards through FederalReporting.gov and are not subject to the reporting requirements in this Guidance.

"Subawards" are defined as either subcontracts or grants-specific subawards. A "subcontract," means a subcontract awarded directly by a contractor to furnish supplies or services (including construction) for performance of a prime contract, but excludes supplier agreements with vendors, such as long-term arrangements for materials or supplies that would normally be applied to a contractor's general and administrative expenses or indirect cost. For grants, a "subaward" means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that:

A. the prime recipient awards to an eligible sub-recipient; or
B. sub-recipient at one tier awards to a sub-recipient at the next lower tier.

Specifically, this Guidance delineates first-tier subaward and executive compensation reporting requirements associated with Federal contracts and grants as follows:

For contracts, based on the FAR Interim Final Rule published on July 8, 2010:

- Until September 30, 2010, any newly awarded subcontract must be reported if the prime contract award amount was $20,000,000 or more.

- From October 1, 2010, until February 28, 2011, any newly awarded subcontract must be reported if the prime contract award amount was $550,000 or more.
- Starting March 1, 2011, any newly awarded subcontract must be reported if the prime contract award amount was $25,000 or more.

For grants, both mandatory and discretionary grants, equal to or over $25,000, and awarded on or after October 1, 2010 must be reported by the prime awardee. The following are not subject to the Transparency Act's reporting requirements:

- Grants, whether existing or new as of October 1, 2010, that are funded by the Recovery Act. Rather, such awards will continue to report those awards and related subawards through FederalReporting.gov;
- Transfers of title between Federal agencies of Federally owned property;
- Federal inter-agency transfers of award funds;
- Cooperative Research and Development Agreements (CRDAs), as defined under 15 U.S.C. 3710a;
- Federal awards to individuals who apply for or receive Federal awards as natural persons (i.e., unrelated to any business or non-profit organization he or she may own or operate in his or her name);
- Federal awards to entities that had a gross income, from all sources, of less than $300,000 in the entities' previous tax year; and
- Federal awards, if the required reporting would disclose classified information.

To facilitate transparency of Federal funds awarded through grants, OMB will consider future additional guidance related to the collection of subaward data. These may include capturing information about: procurements under grants, grant awardees' costs other than subawards and procurements, and subawards under other types of Federal financial assistance awards. To facilitate the collection of this information, improve the data quality, and enhance the overall grants management process, the major grant-making departments and agencies should make sure they have a chief grants officer or senior grants official designated.

E. WHAT ARE THE REQUIREMENTS FOR THE IMPLEMENTATION OF FEDERAL CONTRACTS SUBAWARD AND EXECUTIVE COMPENSATION DATA?

Requirements for reporting pursuant to the Transparency Act are codified in the FAR interim final rule published in the Federal Register on July 8, 2010.

F. WHAT ARE THE REQUIREMENTS FOR THE IMPLEMENTATION OF FEDERAL GRANTS SUBAWARD AND EXECUTIVE COMPENSATION DATA?

1. What grant awards are subject to the subaward and executive compensation reporting requirements of the Transparency Act?

A Federal grant is an award of financial assistance from a Federal agency to a recipient to carry out a public purpose of support or stimulation authorized by a law of the United States. Federal

grants are not federal direct assistance payments or loans to individuals. New Federal, non-Recovery Act funded grant awards with an award date on or after October 1, 2010, and resulting first-tier subawards, are subject to the reporting requirements under the Transparency Act. New Federal grants includes grants with a new Federal Award Identification Number (FAIN) as of October 1, 2010, and does not include continuing or renewals of grants awarded in prior fiscal years with new obligations beginning October 1, 2010.

In any new awards as of October 1, 2010, Federal agencies are required to include a new award term (to be published July 2010) that delineates reporting requirements pursuant to the Transparency Act. The interim final guidance with these standard terms and conditions was published in the Federal Register in July 2010.

For those new Federal grants as of October 1, 2010, if the initial award is equal to or over $25,000, reporting of subaward and executive compensation data is required. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award will be subject to the reporting requirements, as of the date the award exceeds $25,000. If the initial award equals or exceeds $25,000 but funding is subsequently de-obligated such that the total award amount falls below $25,000, the award continues to be subject to the reporting requirements of the Transparency Act and this Guidance.

In addition to the award amount threshold, the following are not subject to the reporting requirements in this guidance: (1) a Federal award to an individual who applies for or receives a Federal award as a natural person (i.e., unrelated to any business or non-profit organization he or she may own or operate in his or her name); (2) a Federal award to an entity that had a gross income, from all sources, of less than $300,000 in the entity's previous tax year; and (3) any award if the required reporting would disclose classified information. *See* FFATA §§ 2(a)(1)(C), 2(e), 3.

Grant awards, whether existing or new, as of October 1, 2010 that are funded by the Recovery Act will continue to report to those awards and subawards through FederalReporting.gov and are not subject to the reporting requirements in this Guidance.

2. Are there new data reporting requirements for Federal agencies under this Guidance?

No. There are no new reporting requirements associated with this Guidance for Federal agencies. Federal agencies are currently required to report on all grants through the FAADS+ submission, as required under OMB Memorandum M-09-19. Federal agencies' FAADS+ submissions will be leveraged to facilitate and minimize the burden of prime awardee reporting under this Guidance. *See* Appendix C, Proposed Grants Reporting Requirements for FFATA Implementation - Data Model.

However, while there are no new reporting requirements under this Guidance, Federal agencies are required to (1) ensure the quality of their existing FAADS+ data submissions; (2) convey to prime awardees, through revised standard terms and conditions, the requirement for subaward and executive compensation reporting. *See* Section F.4 below; and (3) communicate to prime

awardees the requirement to register in the Central Contractor Registration system, which will be implemented in an upcoming Federal Register notice.

First, Federal agencies are required to ensure the timeliness and data quality of their existing FAADS+ data submissions. The FAADS+ data will be used to pre-populate FSRS records to the maximum extent possible to facilitate prime awardee reporting of subaward and executive compensation data in FSRS. Where possible, pre-population will also ensure that prime awardees are not subject to duplicative reporting. While there are no new Federal agency reporting requirements under this Guidance, if any of the pre-populated information from FAADS+ is inaccurate, Federal agencies are required to reconcile this data with the prime awardee.

The Awardee Reporting Architecture documents which systems for existing Federal agency reporting will be leveraged to facilitate the subaward and executive compensation data reporting requirements in the Transparency Act. *See* Appendix B, Awardee Reporting Architecture.

Second, for any new awards as of October 1, 2010, Federal agencies are required to include a new award term (published July 2010) that delineates applicable reporting requirements pursuant to the Transparency Act.

Third, Federal agencies will be required to communicate to prime awardees that prime awardees will be required to register into the Central Contractor Registration System (CCR) for all new grants as of October 1, 2010. This requirement will be directed specifically in an upcoming Federal Register notice. *See* Section F.4 below.

3. Are there new reporting requirements for prime grant awardees under this Guidance?

Yes. New information required for reporting may include, as applicable:

> (1) Executive compensation data for both the prime awardee and first-tier subawardee. A prime awardee is required to report the names and total compensation of the five most highly compensated officers of a prime or subawardee entity if the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards and $25,000,000 or more in annual gross revenues from Federal awards; and if the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986; and
>
> (2) Information such as subaward entity information, subaward description/title, and date of award. *See* Appendix C. New Federal, non-Recovery Act funded grant awards with an award date on or after October 1, 2010, and resulting first-tier subawards, are subject to the reporting requirements under the Transparency Act.

For those new Federal grants as of October 1, 2010, if the initial award is equal to or over $25,000, prime awardee must report subaward and executive compensation, if required. If the

initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the reporting requirements, as of the date the award exceeds $25,000. If the initial award amounts to or exceeds $25,000 but funding is subsequently de-obligated such that the total award amount falls below $25,000, the award continues to be subject to the reporting requirements of the Transparency Act and this Guidance.

In addition to the award amount threshold, the following are not subject to the reporting requirements in this guidance: (1) a Federal award to an individual who applies for or receives a Federal award as a natural person (i.e., unrelated to any business or non-profit organization he or she may own or operate in his or her name); (2) a Federal award to an entity that had a gross income, from all sources, of less than $300,000 in the entity's previous tax year; and (3) any award if the required reporting would disclose classified information. *See* FFATA §§ 2(a)(1)(C), 2(e), 3.

Grant awards, whether existing or new, as of October 1, 2010 that are funded by the Recovery Act will continue to report to those awards and subawards through FederalReporting.gov and are not subject to the reporting requirements in this Guidance.

For grants, a "subaward" means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that:

A. the prime recipient awards to an eligible sub-recipient; or
B. sub-recipient at one tier awards to a sub-recipient at the next lower tier.

The term "subaward" does not include procurement of property and services needed to carry out the project or program. Further, a subaward may be provided through any legal agreement, including an agreement that the prime recipient or a sub-recipient considers a contract.

This Guidance delineates first-tier subaward requirements and does not include awards made by first-tier subawardees to lower tier subawardees.

For the full list of data elements to be collected from the prime awardee, refer to Appendix C.

To the maximum extent possible, information already collected from Federal agencies on Federal grants and prime awardees will be pre-populated to minimize duplicative reporting of the prime awardees' entity information (e.g. address, DUNS number, executive compensation data), subawardee entity information, if available, and grant information (e.g. CFDA number, award amount, prime award description).

Federal grants funded through the Recovery Act will continue to report through FederalReporting.gov and will not be subject to the reporting requirements in this Guidance.

4. **How will prime grant awardees report, in compliance with this Guidance and the Transparency Act?**

Prime grant awardees will be required to register in two systems to comply with the reporting requirements in this Guidance and the Transparency Act.

First, prime grant awardees will be required to register into the Central Contractor Registration System ("CCR") in an upcoming Federal Register notice. Currently Federal grant awardees are required to register into CCR for any grants associated with Recovery Act funding. For any new Federal grant as of October 1, 2010, prime grant awardees must ensure that they have an active registration, for the DUNS number under which the grant was made, in CCR, and provide all required information, including executive compensation data.

Second, prime grant awardees will be required to register into FSRS and report subaward and/or subawardee executive compensation data through FSRS. The Awardee Reporting Architecture documents which of the existing systems used by Federal agencies for grant reporting will be used to pre-populate prime grant awardee entity and award information. *See* Appendix B. Such pre-population will minimize prime grant awardees' reporting burden. The Architecture also illustrates how current FederalReporting.gov reporting will be leveraged to avoid duplicative grants-related reporting for Recovery Act-funded grants.

5. **Are subawardees required to report information directly into FSRS in compliance with this Guidance and the Transparency Act?**

No. The prime grant awardee must report all information associated with a Federal grant, either regarding executive compensation data for prime awardees or subawardees, or any other information associated with subawards.

The subawardee, however, has an obligation to provide to the prime grant awardee all information required for such reporting. This includes subawardee entity information, subawardee DUNS number, subawardee Parent DUNS number, if applicable, and relevant executive compensation data, if applicable. If the subawardee is registered in CCR, this information may be migrated into FSRS to facilitate the prime awardee's reporting, as required under this Guidance.

6. **By when must a prime grant awardee report executive compensation data or subaward data?**

<u>For subaward reporting</u>:

If applicable, the prime awardee must report information related to a subaward by the end of the month following the month the subaward or obligation was made.

Example 1:

Prime awards subaward on October 1, 2010
Prime must report subaward information by November 30, 2010

Example 2:

Prime awards subaward on October 31, 2010
Prime must report subaward information by November 30, 2010

For executive compensation reporting:

If applicable, the prime awardee must report its own executive compensation data by the end of the month following the month the award or obligation was made.

Example 1:

Federal agency awards grant to prime awardee on October 1, 2010
Prime awardee must report executive compensation data, if necessary, by November 30, 2010.

Example 2:

Federal agency awards grant to prime awardee on October 31, 2010
Prime awardee must report executive compensation data, if necessary, by November 30, 2010.

Similarly, the prime awardee must the subawardee's executive compensation data by the end of the month following the month the award or obligation was made.

Example 1:

Prime awards subaward on October 1, 2010
Prime awardee must report subawardee's executive compensation data, if necessary, by November 30, 2010

Example 2:

Prime awards subaward on October 31, 2010
Prime awardee must report subawardee's executive compensation data, if necessary, by November 30, 2010

7. If a prime awardee or subawardee has a Recovery Act-funded grant and reports to FederalReporting.gov, will it need to report again to comply with this Guidance and the Transparency Act's subaward and executive compensation reporting requirements?

No. No additional reporting of a Recovery Act-funded grant is required if a prime awardee, or, if delegated, a subawardee, of Federal grants reports subaward and executive compensation data into FederalReporting.gov. Because this same information can be used to satisfy the subaward and executive compensation data reporting requirements under the Transparency Act, duplicative reporting will not be required. As a result, for all Recovery Act-funded grants that are currently reported into FederalReporting.gov, this Guidance does not require any new reporting to comply with the provisions in the Transparency Act.

8. What are the data quality requirements for award, subaward and executive compensation data?

OMB will issue further data quality requirements in August 2010.

Appendix B:

Awardee Reporting Architecture

Federal Spending Solution Architecture

Awardee Reporting Architecture

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1 Purpose and Scope

The Awardee Reporting Architecture describes how existing systems, platforms, business processes, databases, and technologies will be used to report, collect, or pre-populate awardee-reported information on Federal contracts and grants.[1] In addition, this document is the first step in defining a comprehensive target architecture for Federal spending transparency and future steps will be developed in collaboration with agencies and functional communities. The sections that follow explain the current state of awardee reporting and define a new Awardee Reporting Architecture that shows how the systems and processes will be modified to fulfill the OMB mandates for subaward reporting.

Recognizing the demand for and the utility of increased transparency, over the past several years the Federal Government has taken numerous steps to give the public greater insight into its spending patterns. Websites such as USASpending.gov and Recovery.gov allow users to quickly learn when, where, and how certain categories of Federal funds are being spent. These websites all work to promote trust, accountability, and the more efficient management of taxpayer dollars.

The Awardee Reporting Architecture detailed in this document represents the maturation of a comprehensive target architecture for Federal spending transparency, the Federal Spending Solution Architecture (FSSA). It focuses on awardee reporting systems and processes currently in place to support Federal spending transparency under the Federal Funding Accountability and Transparency Act (FFATA)[2]. This document includes information about the data sources for USASpending.gov, the business processes currently employed by agencies to provide spending data on contracts and grants to USASpending.gov, and a description of how existing data assets will be integrated with awardee-reported data.

This document is part of an ongoing, iterative requirements and solution package that will be refined and improved through reviews and comments by Federal and non-Federal stakeholders. Ultimately, these efforts will document the target architecture for spending transparency to ensure that the data provided is transparent, timely, accurate, useful, and readily accessible to the public.

The comprehensive FSSA will improve and extend Federal spending transparency, with a focus on the following aspects:

- **Minimizing costs** (initial implementation, yearly operations, and help desk costs)
- **Maximizing capabilities** (providing timely and accurate data on subawards)
- **Reducing risks** (alignment with future architecture, ability to execute in a timely fashion, ability to scale, technical maturity and flexibility)
- **Rationalizing Systems** (minimization of redundancies)

[1] OMB Memorandum for Senior Accountable Officials Over the Quality of Federal Spending Information, Jeffrey Zients, 6 April 2010 at 6.

[2] Federal Funding Accountability and Transparency Act of 2006, Public Law 109-282, as amended.

- **Minimizing Reporting Burdens** (ease of use for users, ease of migration to solution)

1.1 Federal Funding Accountability and Transparency Act (FFATA)

One of the key requirements of FFATA was the creation of a single, searchable website that provides the public with greater access to information on Federal spending. USASpending.gov is that website, displaying data about grants, contracts, loans, awards, cooperative agreements, and other forms of Federal financial assistance, such as direct payments and insurance, reported by agencies. This document discusses reporting of Federal contracts and grants, focusing on systems to support new collection of subaward and executive compensation data for display on USASpending.gov.

1.1.1 Key FFATA Data Elements

FFATA specifies the data that should be captured for each Federal award, regardless of award type. These key data elements are:

- The name of the entity receiving the award
- The amount of the award
- Information on the award including transaction type, funding agency, the North American Industry Classification System code (NAICS) or Catalog of Federal Domestic Assistance (CFDA) number, program source, and an award title descriptive of the purpose of each funding action
- The location of the entity receiving the award and the primary location of performance under the award including the city, state, congressional district, and country
- A unique identifier of the entity receiving the award and of the parent entity of the recipient, should the entity be owned by another entity
- 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
- Any other relevant information specified by OMB

1.1.2 FFATA Awardee Reporting

One of the primary goals of the Awardee Reporting Architecture is to deliver on the FFATA requirement to ensure that data on subawards and executive compensation are made available on USASpending.gov. Please refer to OMB guidance on subaward and executive compensation reporting requirements for Federal agencies and awardees of Federal contracts and grants, OMB Memorandum for Senior Accountable Officials, Jeffrey Zients, 30 July 2010. Further details on the mechanisms that will support subaward reporting are included in Section 4 of this document.

Awardee-reported data related to Federal contracts and grants will be collected via the FFATA Subaward Reporting System (FSRS) for display on USASpending.gov. To promote data consistency and reduce

reporting burdens, existing agency data sources will be leveraged to pre-populate reports for prime awardees as well as for subawardees when available. The USASpending.gov website will also be modified to view subaward reported data and executive compensation submitted to FSRS.

2 FFATA Current State

A major challenge facing USASpending.gov and other transparency efforts is that different terminologies, processes, data sets, and systems have evolved over time to support different categories of spending, such as grants and contracts. The following sections provide information about how transparency data is currently reported for grants and contracts.

2.1 Current Data Feeds to USASpending.gov

Several sites have been developed to provide public access to data on Government spending, such as: Recovery.gov and FPDS.gov. However, the primary website identified to support Federal spending transparency is USASpending.gov.

The information reported on USASpending.gov is provided by Federal agencies through several sources, which fall into two major categories, described below.

Spending data sources that provide input directly from agencies:

- **Federal Procurement Data System (FPDS)** – This GSA-operated system includes procurement transactions reported primarily through the contract writing systems of approximately 65 Federal and Executive Branch departments, bureaus, agencies, and commissions. USASpending.gov is updated with FPDS data on a daily basis. Reporting to FPDS is statutorily required and governed by regulation in the Federal Acquisition Regulation (FAR), Subpart 4.6. FPDS utilizes extensive validation rules and pre-population of vendor data, as well as DUNS number validation from the Central Contractor Registration (CCR) database. Agency submissions are certified annually by Senior Procurement Executives in accordance with the FAR.
- **Federal Assistance Award Data System (FAADS) Plus** – FAADS Plus (also "**FAADS+**") is the format used by 31 executive branch departments and agencies to submit Federal assistance award actions directly to USASpending.gov. USASpending.gov is updated with FAADS+ data on a daily basis, and agencies are required to provide FAADS+ data on a bi-monthly basis.

Lookup / Validation Feeds which are used to ensure data quality, such as:

- **Catalog of Federal Domestic Assistance (CFDA)** - CFDA is a government-wide compendium of Federal programs, projects, services, and activities that provide assistance or benefits to the American public, and is the authoritative source for CFDA Program Numbers. GSA is responsible for the dissemination of Federal domestic assistance program information through the CFDA, pursuant to the Federal Program Information Act, Public Law 95-220, as amended.
- **Dun and Bradstreet (D&B)** – This commercial entity maintains a repository of unique identifiers (D-U-N-S Numbers), which are nine-digit sequences recognized as the universal standard for identifying business entities and corporate hierarchies. Any organization that has a Federal contract or grant must have a D-U-N-S Number.

At the agency level, grants and contracts data are sourced from grants management systems, contract writing systems, agency financial systems, and other intermediate systems for automated reporting, as well as from manual processes for FPDS data entry and generation of FAADS Plus data extracts.

2.2 Implementation of FFATA and the Recovery Act

For both grants and contracts, the following required data elements are currently collected from Federal agencies for display on USASpending.gov and Recovery.gov:

- The name of the entity receiving the award;
- The amount of the award;
- Information on the award including transaction type, funding agency, the NAICS code or CFDA number,[3] program source (or Treasury Account Symbol),[4] and an award title descriptive of the purpose of each funding action;
- The location of the entity receiving the award and the primary location of performance under the award including the city, state, congressional district, and country; and
- The D-U-N-S Number of the entity receiving the award, which is used as the unique entity identifier.

With the implementation of Section 1512 of the American Recovery and Reinvestment Act ("**Recovery Act**" or "**ARRA**"), data collection on first-tier subawardees[5] and executive compensation required under FFATA was initiated for Recovery Act funded awards via submission to FederalReporting.gov. ARRA-specific data elements are collected in addition to those outlined by FFATA[6]. FederalReporting.gov populates reports to Recovery.gov to provide public access to Recovery Act-funded awards. The Awardee Reporting Architecture provides a technical framework to facilitate the collection and display of awardee-reported data for Federal contracts, grants, and related first-tier subawards.

The following sections provide a basic description of how Federal agencies interact with the various government-wide systems to report information about spending on contracts and grants to the public. This discussion is not intended to be comprehensive across all agencies or all types of Federal financial assistance. However it does provide additional detail on major systems and processes that occur

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[3] For contracts transactions, agencies currently report the NAICS code. For other financial assistance, agencies report the CFDA program number.

[4] As documented in previous OMB guidance (M-09-19), the Treasury Account Symbol, composed of the Treasury Agency Identifier, Main Account Identifier, and optional Subaccount Identifier, serves as the 'program source' for the purposes of the FFATA reporting.

[5] The responsibility for handling and reporting this information lies either with the prime awardee directly or, if the prime has delegated that responsibility, with the subawardee.

[6] Awardee reporting pursuant to the Recovery Act includes data, such as the number and description of jobs created. There are also separate reporting requirements for ARRA infrastructure projects, which are specific to the Recovery Act and not included in FFATA. For more information, see FederalReporting.gov User Guide, available at https://www.federalreporting.gov/federalreporting/downloads.do#docs.

upstream from recipient reporting on grants, subgrants, contracts, and subcontracts. The sections below explain how each community performs its reporting requirements.

2.3 Current Grants Reporting

The generic end-to-end process for Federal grants is depicted in Figure 1. This diagram is a generalization developed to give an overview of the grants process, and there are significant and noteworthy differences between the processes for discretionary and non-discretionary grants.

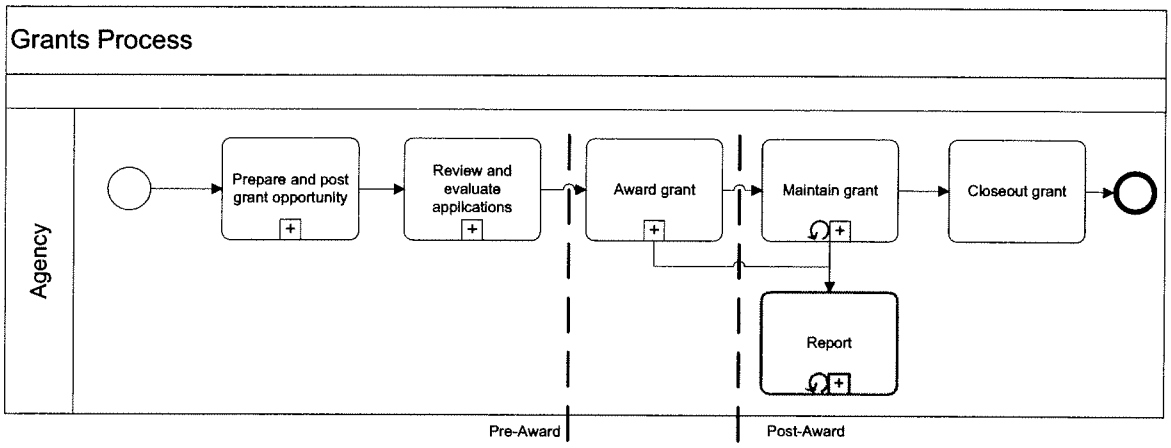

Figure 1: Grants Process Overview

This process is divided into Pre-Award, Award, and Post-Award phases. Federal discretionary grants and cooperative agreements must be made available through the Grants.gov FIND module. All grants recipients are required to register with D&B and acquire a D-U-N-S Number. The number is used by agencies to uniquely identify business entities. For competitive grants, grantees must also be registered with the CCR when applications are submitted electronically via the Grants.gov Apply module.

The discussion below focuses on reporting activities (red box in Figure 4) directly related to the current reporting requirements for grants.

2.3.1 Current Process for Reporting on Grants

Figure 2 shows the process for reporting on financial assistance received through a Federal grant.

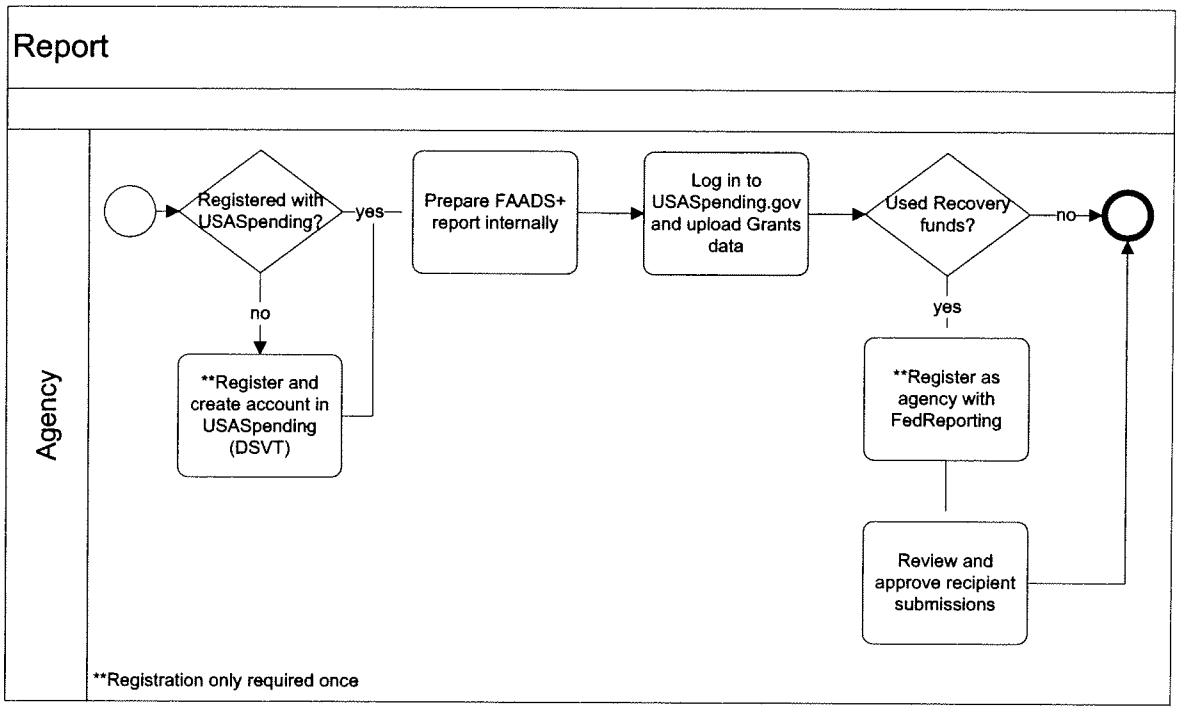

Figure 2: Reporting on Grants

In order to enhance the transparency of Federal spending there are currently two sets of reporting requirements: Recovery Act Reporting and FFATA Reporting.

2.3.1.1 Recovery Act Awardee Reporting on Grants

Awardees are required to report Recovery Act-related spending information on a quarterly basis. Awardees are given three weeks to provide their information to the agency through FederalReporting.gov, while agencies are given one week to review and validate the data provided to them. Once agency review is completed, the data is published on Recovery.gov.

2.3.1.2 FFATA Reporting on Grants

The other requirement governing grants reporting is FFATA. Federal agencies are required to report accurate information to USASpending.gov no later than 30 days following the award or modification of a grant. Currently, submissions occur through upload of a text file using the FAADS Plus specification[7] via the USASpending.gov Data Submission and Validation Tool (DSVT) (https://ffatadata.usaspending.gov).

In the current environment for assistance award reporting to USASpending.gov, reference data about awardees is collected and maintained by the reporting Federal agency. To address data quality concerns, some agencies have started to provide awardees with access to their data in order to validate the information prior to submission. However, this had not been done in a standardized way across the Federal Government.

[7] The FAADS Plus file specification is outlined in previous guidance on FFATA reporting, M-09-19.

2.3.2 Grants Reporting Systems

The systems and systems interfaces depicted in Figure 3 support transparency in grants reporting process. These systems are:

- **FAADS+ Data Submission and Validation Tool (DSVT)** – the DSVT is a module of USASpending.gov that collects FFATA required data elements related to Federal assistance
- **USASpending.gov** –responsible for collecting and displaying data required under FFATA
- **Dun & Bradstreet (D&B)** – responsible for maintaining unique identifiers (D-U-N-S Number) and organizational linkages on behalf of the Federal Government for business entities that receive Federal assistance
- **Central Contractor Registration (CCR)** – governmentwide registration system for entities that do business with the Federal Government. CCR stores information about awardees including financial account information for payment purposes and a link to D&B for maintaining current D-U-N-S information
- **FederalReporting.gov** –the collection mechanism for data required under the Recovery Act

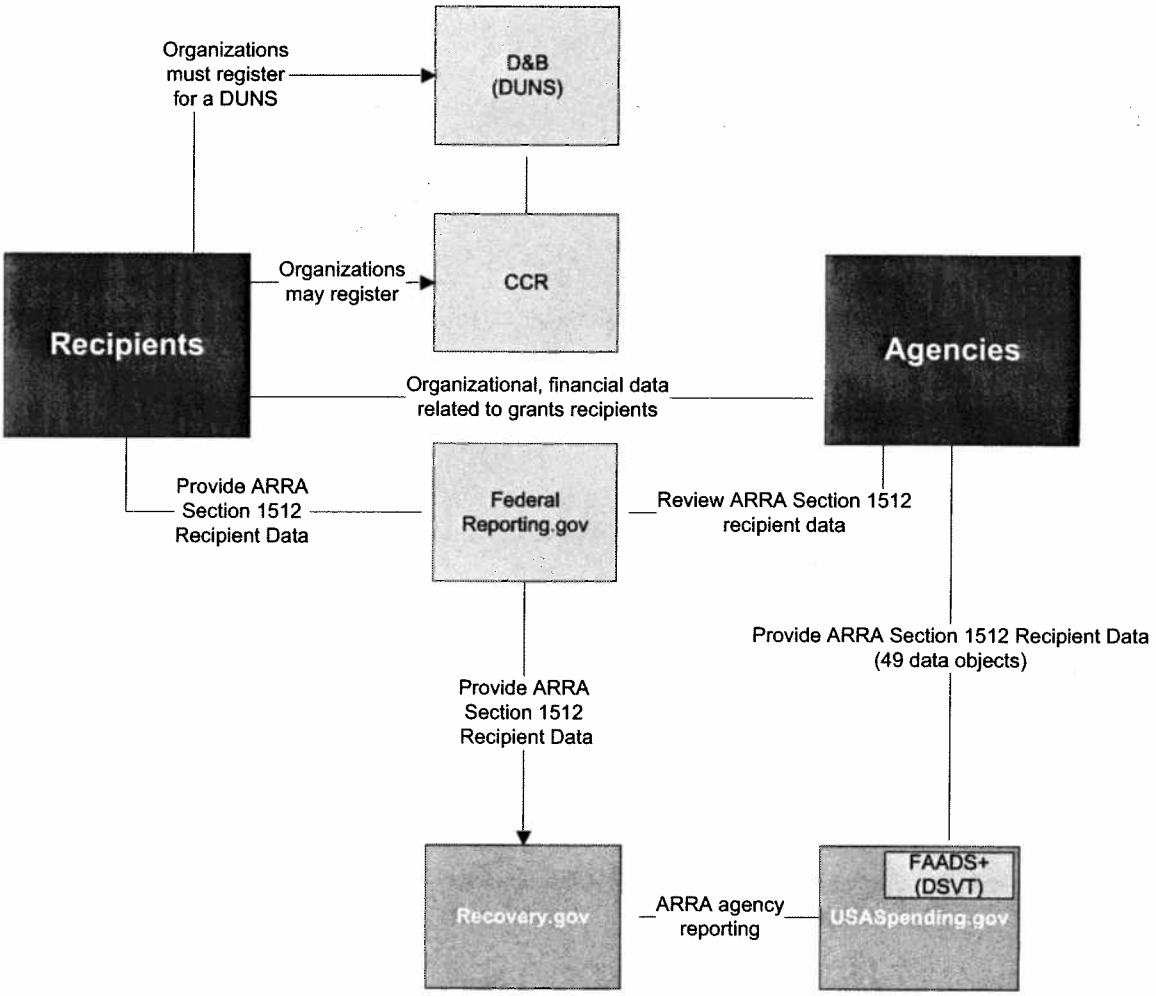

Figure 3: Current Grants Reporting Systems

2.4 Current Contracts Reporting

Figure 4 provides a high-level overview of transparency in contracts process. Contracting offices solicit offers from vendors, in certain cases by posting a notice on FedBizOpps.gov. Offers are evaluated, and a contract is awarded.The diagrams and the sections that follow describe a generic contract with the Federal Government, and are meant to provide general insight into the complexity of the contracting process rather than exhaustively detailing every possible contract path.

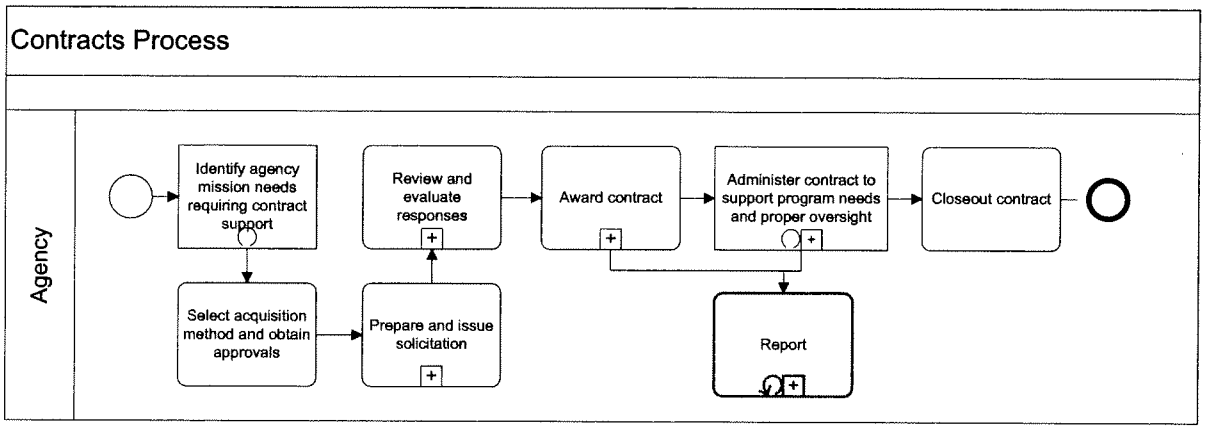

Figure 4: Contracts Process Overview

Similar to the grants process, any organization or business applying for federal procurement opportunities must first register with D&B to receive a D-U-N-S Number if the potential vendor does not already have a valid D-U-N-S Number. After receiving a D-U-N-S Number, the business entity must then register with the Central Contractor Registration (CCR) system.

The discussion below focuses on reporting activities (red box in Figure 4) directly related to current transparency reporting requirements for contracts.

2.4.1 Current Process for Reporting on Contracts

Federal agencies are required to report contract award data to FPDS to comply with Federal Acquisition Regulation Subpart 4.6 Contract Reporting. Data collected at FPDS is used to report to USASpending.gov to satisfy FFATA requirements for contracts. FPDS also provides data about contracts using Recovery Act funds to Recovery.gov. Initial reporting is triggered at the time of award, and any additional modifications to the original contract during the contract administration period must also be reported.

Many agencies have linked their contract writing systems (CWS) to FPDS, which allows for pre-population of some of the required FPDS data and keeps agency contract information tightly synchronized. Alternately, agencies that have not linked their CWS to FPDS, or do not have a CWS, can enter FPDS directly from the web and enter all of the required data manually.

The following diagram, Figure 5, shows the basic process flow for contracts reporting.

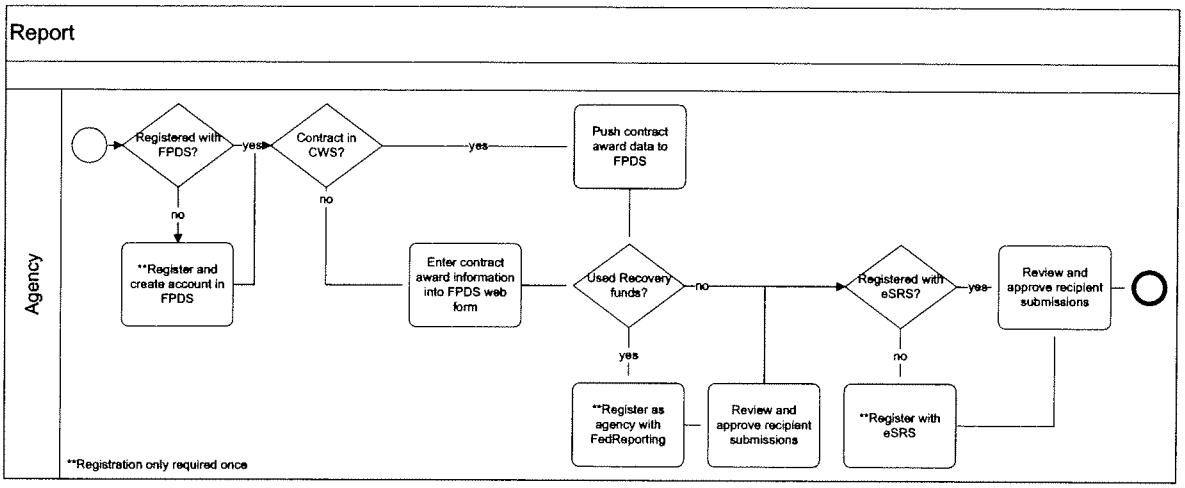

Figure 5: Reporting on Contracts

Contract reporting for public use has three major variations: (1) operational reporting to FPDS, (2) Recovery Act reporting, and (3) FFATA reporting. Each of these is described in more detail below.

2.4.1.1 Operational Reporting for Contracts

Upon award, agencies are required to report contract award information to FPDS as described above. FAR Subpart 4.6 requires the transmission of procurement information to the FPDS for all transactions over $3000. This may be accomplished through contract writing systems, manual data entry, or a combination of both. Agencies are required to certify the accuracy of data on an annual basis to OMB[8]. Reporting requirements include all of the data elements currently required under FFATA for federal contracts.

2.4.1.2 Recovery Act Awardee Reporting on Contracts

The process for Recovery Act Awardee Reporting for contracts is similar to that for grants reporting. Awardees of Recovery Act funds are required to report Recovery-related information on a quarterly basis. Awardees are given three weeks to provide their information to the agency, and agencies are then given one week to review and validate it. A recently revised FAR clause requires contractors to report by the 10th of the month[9]. Once this review is completed, the data are made public on Recovery.gov.

2.4.1.3 FFATA Reporting on Contracts

The FFATA Reporting process for contracts is similar to that for reporting on grants, with additional requirements from the FAR. On July 8, 2010, a FAR interim rule[10] with request for comments was

[8] OMB guidance on FPDS Data Quality reporting for FY 2009 and FY 2010 can be accessed at: http://www.whitehouse.gov/omb/assets/procurement_memo/data_quality_guidance_100709.pdf
[9] Federal Acquisition Regulation (FAR) 52.204-11
[10] Federal Acquisition Circular (FAC) 2005–44: http://edocket.access.gpo.gov/2010/pdf/2010-16691.pdf

published in the Federal Register titled "Reporting Executive Compensation and First-Tier Subcontractor Award Information." FAR Clause 52.204-10 details the complete requirements for prime contractors under the rule and requires that the FAR clause be included in all new contracts.

The FAR interim rule specifies the reporting requirements for prime recipients related to executive compensation and first-tier subcontract awards. It also requires prime recipients to report executive compensation and sub contract award data in a phased approach, beginning with contracts with a value of $20 million or greater. Executive compensation for prime recipients will be reported to CCR with information on subcontractors reported to FSRS. The phased approach also stipulates that prime recipients will be required to report information by the end of the month following the month of award.

2.4.2 Contracts Reporting Systems

The systems which support contracts reporting include:

- **Federal Procurement Data System (FPDS)** – collection of procurement award information
- **Central Contractor Registration (CCR)** – governmentwide registration system for entities that do business with the Federal Government, which stores information about recipients, including financial account information for payment purposes and a link to D&B for maintaining current D-U-N-S information
- **USASpending.gov** –responsible for collecting and displaying data required under FFATA
- **Dun & Bradstreet (D&B)** – responsible for maintaining unique identifiers (D-U-N-S Number) and organizational linkages on behalf of the Federal Government for business entities that receive Federal assistance
- **FFATA Subaward Reporting System (FSRS)** – tool for collecting information about subcontracting plans

Figure 6 shows the current interfaces between the systems supporting contracts reporting.

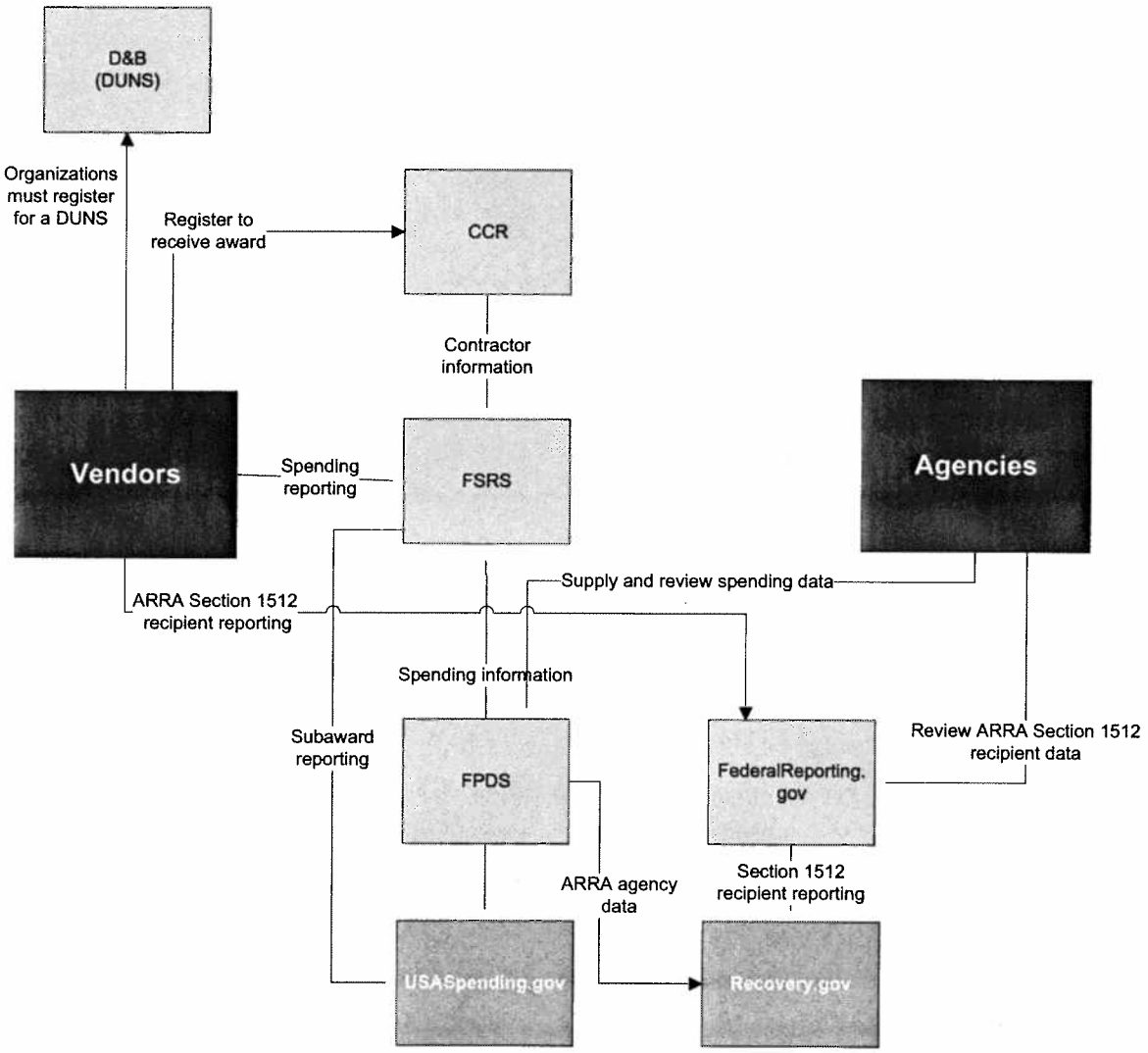

Figure 6: Current Contracts Reporting Systems

3 Current State Issues and Opportunities for Improvement

Efforts are underway to streamline and integrate governmentwide systems that support Federal spending transparency, starting with the Awardee Reporting Architecture for subaward and executive compensation reporting. The Awardee Reporting Architecture takes advantage of opportunities to improve on the timeliness and quality of data, minimize duplicative technology, and reduce burdens on the reporting entities and Federal employees. These opportunities have been addressed by:

- Developing a reporting system, the FFATA Subaward Reporting System (FSRS), that uses a common platform for both contracts and grants reporting of subaward and executive compensation data;
- Requiring, pursuant to FFATA , timely reports of subawards and associated information; and
- Pre-populating data elements with primary source data to the maximum extent possible.

3.1 Target Architecture Development

The Federal Spending Solution Architecture (FSSA), of which the Awardee Reporting Architecture is the first phase, is being developed based on the premise that transparency can be best accomplished with input from key stakeholder communities both inside and outside of Government. This includes the development of common cross-agency, and cross-community, technical and data standards, and the utilization of reference architectures and open source-based reference implementations that yield value to all stakeholders.

3.2 Awardee Reporting Architecture Design Goals

The Awardee Reporting Architecture will support three priority goals:

1. Improving Data Quality
2. Improving Data Timeliness
3. Providing one publicly accessible website to view Federal financial spending, including required first-tier subaward and executive compensation data for Federal grants and contracts

In order to achieve those goals, the Awardee Reporting Architecture employs the following design principles:

- *Simplicity*

  The target state will make use of the fewest systems necessary in order to eliminate duplication of data and functionality. It will also utilize best practices in information sharing, and minimize the number of point-to-point interfaces.

- *Separating data, workflow, and user interface*

  Separating the underlying data from business workflows will allow different spending areas to follow their own processes while still sharing the same underlying data. Where business processes are

similar, the different domains can also share functionality. This is a modern design pattern, commonly referred to as n-tier or multi-tier architecture.

- *Loose Coupling Between Systems*

  Interfaces and feeds will be designed with the understanding that the source and target systems will not necessarily evolve in lockstep. Information exchanges will take place using open standards that include meta-data and version information. Evolving interface schemas will be designed with backward compatibility when possible, and will use multiple simultaneous versions of the schema when not.

- *REST / Web-Oriented Architecture (WOA)*

  Documents and data will be treated as web resources, accessible via Uniform Resource Identifiers (URIs) in standard representation formats. Application functionality will be implemented as services that enable the accessibility and management of these resources using the uniform interface provided by the HTTP standard.

- *Feeds*

  Whenever data is exchanged that can be shared publicly, data feeds should be used wherever possible to integrate systems and provide that data to public-facing channels for reporting, aggregation, analysis and dashboarding.

3.3 Timeliness and Data Quality

Current reporting under FFATA and ARRA requires submission of data at different intervals and frequencies. In the case of Section 1512 Recipient reporting to FederalReporting.gov, there are strictly defined windows of reporting, reviewing, and posting. These windows of time are designed to ensure that the data being displayed is accurate, but they also result in significant delays between Federal spending and reporting through the public portals.

In the implementation of FFATA subaward and executive compensation reporting, the prime awardee must report information related to a subaward on a rolling basis as awards are made. This will enhance transparency by providing more timely and accurate data to the public on subawardee and executive compensation information. This removes some of the delays by streamlining the overhead needed to make data available.

Following the premise on the principle that data quality is highest when collected from the source, and leveraging reference data sources, this reporting system uses information already collected by the Federal Government from prime awardees themselves to pre-populate information in FSRS. This will enable prime awardees to locate the contracts and grants required for reporting without the duplicative burden of these entities providing the same information to the Federal Government multiple times.

3.4 Multiple Registration and Streamlined Registration Process

To comply with subaward and executive compensation reporting under FFATA, users will be required to access FSRS for both subcontracts and grants subaward reporting. Requiring two different logins can be very burdensome and time-consuming. The Awardee Reporting Architecture seeks to minimize this burden by allowing for use of a single log-in ID, to the greatest extent possible. Further, entity identifying information will be pre-populated into FSRS to minimize burden associated with the registration process.

3.5 Separate Data and Processes

Another major roadblock to transparency in the current state is the isolation of similar data and processes related to Federal spending. The level of unity among the systems supporting Federal spending challenges transparency by creating a situation where various functional domains within the Government use different and sometimes incompatible technologies for reporting on contracts, grants, and other forms of Federal spending. The Awardee Reporting Architecture addresses this by utilizing the FFATA Subaward Reporting System ("FSRS") as the common platform for reporting subaward and executive compensation data for both Federal contracts and grants.

The following section provides additional details on how FSRS and other existing data collection systems will support subaward and executive compensation reporting.

4 Awardee Reporting Solution Architecture

4.1 Introduction

The Awardee Reporting Architecture has two specific goals: to provide the capability to track contracts and grants at the first-tier subawardee level, and to provide the capability to view compensation of the five highest-paid employees of entities that meet the requirements for reporting compensation. The scope of the Awardee Reporting Architecture is the reporting for Federal grants and contracts to the first-tier subawardee level.

The Awardee Reporting Architecture drives Federal spending transparency forward in the near-term by:

- **Minimizing costs** (initial implementation, yearly operations, and help desk costs)
- **Maximizing capabilities** (providing timely and accurate data on subawards)
- **Reducing risks** (alignment with future architecture, ability to execute in a timely fashion, ability to scale, and technical maturity and flexibility)

The longer-term FSSA target architecture will build on the Awardee Reporting Architecture by:

- **Rationalizing Systems** (minimization of redundancies)
- **Minimizing Reporting Burdens** (ease of use for users, ease of migration to solution)

4.2 Solution Attributes

The Awardee Reporting Architecture leverages eSRS, an existing tool for collecting information about subcontracting plans, to handle grants and contracts reporting for prime awards and subawards. The resulting system is called the FFATA Subaward Reporting System (FSRS), which can be accessed at http://www.fsrs.gov. FSRS will serve as the collection tool for subaward data for Federal grants and contracts, which will ultimately be transmitted for publication and display on USASpending.gov.

The following sections describe the target solution and its processes.

4.2.1 Achieving a Single System through FSRS

The most efficient and effective approach for meeting the October 1, 2010 deadline[11] for subaward reporting is a modification of FSRS to handle grant sub-reporting. The current release of FSRS has already been modified to handle the FFATA requirements for contract subawardee reporting, and OMB will also leverage FSRS as the platform for grant awardee reporting.

Successful modification of FSRS to support grant sub-reporting will provide a unified platform, with a single help desk, which will have sole responsibility for providing subaward data to USASpending.gov. Additionally, in order to achieve greater efficiency and ease-of-use, the solution will pre-populate data through FPDS, CCR, and FAADS+. All prime grantees will be required to maintain an active registration in CCR, if they are not already in the CCR system.

[11] *See* Open Government Directive, December 2009; OMB Memorandum from 6 April 2010 at 6.

Prime grantees reporting in FederalReporting.gov will not be required to also report the information in FSRS for Recovery-related data. This is not the case for prime contractors; they will be required to report in both systems.

4.2.2 Subaward Reporting

One of the major changes that will be incorporated into the Awardee Reporting Architecture for USASpending.gov is the addition of a capability for reporting on first-tier subawards. Users of the site will be able to view the amount of money awarded to each awardee and subawardee of Federal funds. In addition, summary information will be aggregated to highlight the total value of all prime awards and subawards given to a particular entity. Figure 7 gives an example representation of what this capability would look like from a user's perspective.

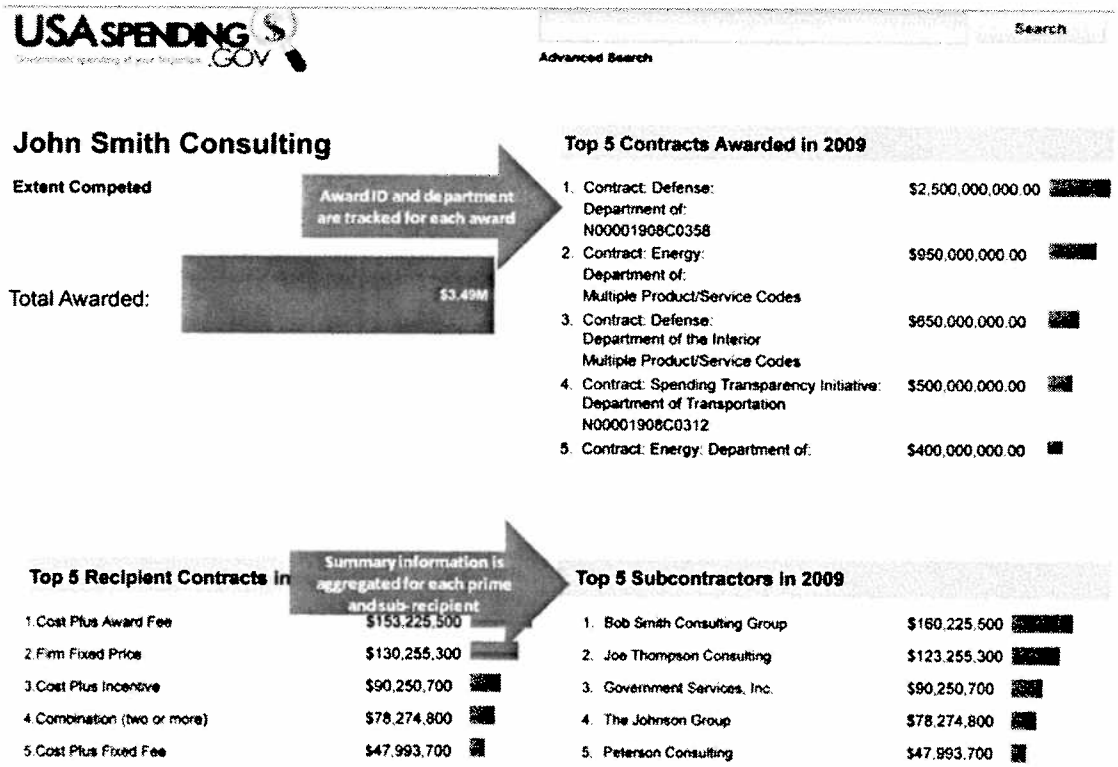

Figure 7: Example of a Subaward Data View

Further, for grantees in receipt of grant funds through the Recovery Act will not be required to report again in FSRS.

4.2.3 Executive Compensation

Another major change that will be incorporated into the Awardee Reporting Architecture for USASpending.gov is a capability for ascertaining, in accordance with FFATA requirements,[12] the compensation of the five highest-paid employees of entities doing a significant amount of business with the Federal Government. Figure 8 provides an example representation of what this function might look like from a user's perspective.

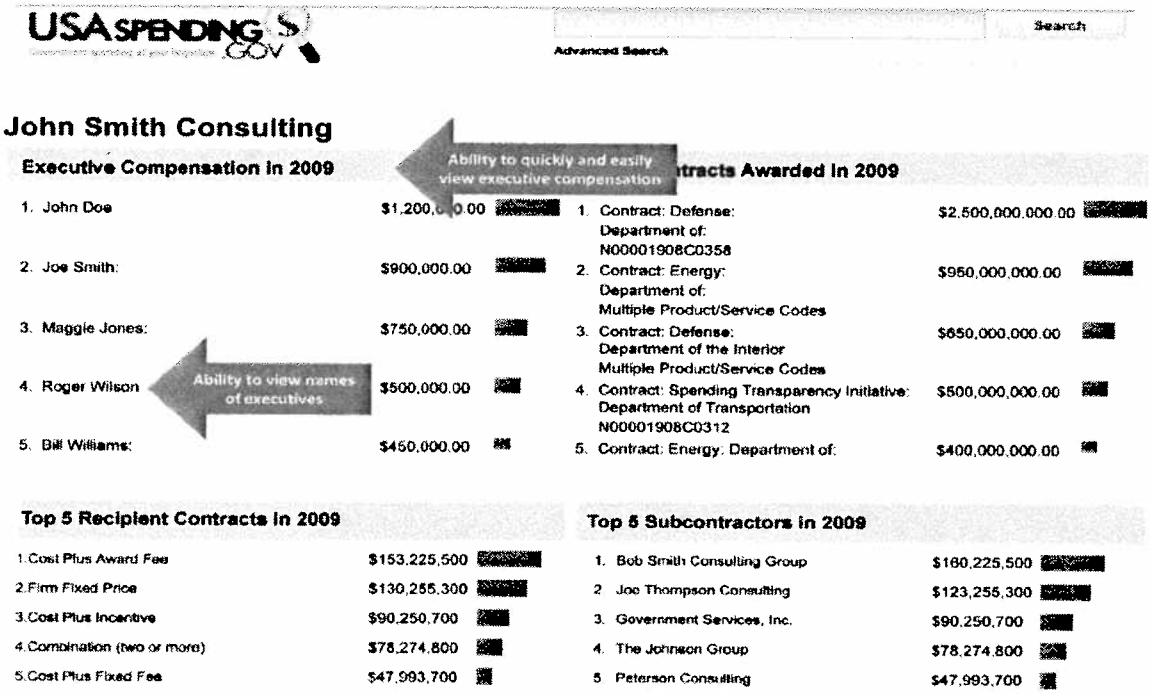

Figure 8: Example of Executive Compensation View

Further, for grantees in receipt of grant funds through the Recovery Act will not be required to report again in FSRS.

[12] If an awardee or subawardee certifies that they receive less than 80% of annual gross revenues from the federal government, receive less than $25M of their annual gross revenues from the federal government, or already provide executive compensation to the Securities Exchange Commission, this data is not required to be submitted under FFATA.

4.3 System Interactions

As noted earlier, there is a high degree of similarity among data collected for grants and data collected for contracts. USASpending.gov currently collects 49 element for assistance and 192 elements for procurement. Of the 49 elements for assistance, 34 align with elements in procurement with only small differences in terminology.

Examples of this overlap are demonstrated in Table 1. "Grantee Information" describes a set of data elements that include recipient name, recipient address, and recipient D-U-N-S Number, among others. "Contractor Information" similarly includes data elements such as contractor name, contractor address, contractor D-U-N-S Number and others.

Grants Data Element	Related Contracts Data Element
Grantee Information	**Contractor Information**
Project and Award Info	**Purchaser Info, Contract Info**
Action	**Amounts, Contract Info, Record Info**
Principal Place	**Principal Place of Performance**

Table 1: Data Element Mapping

Figure 9 depicts the solution architecture, specifically for subaward and executive compensation reporting, in terms of the interactions among component systems. FSRS is the focal point for grants and contracts subaward reporting, with pre-population from FPDS, DSVT, and CCR. Pre-population will have a significant positive impact on the user experience, and will improve data quality. For the near-term solution, other systems involved with the grants or contracts processes will continue to function as they do today with the exception of the interactions described in this diagram and subsequent text.

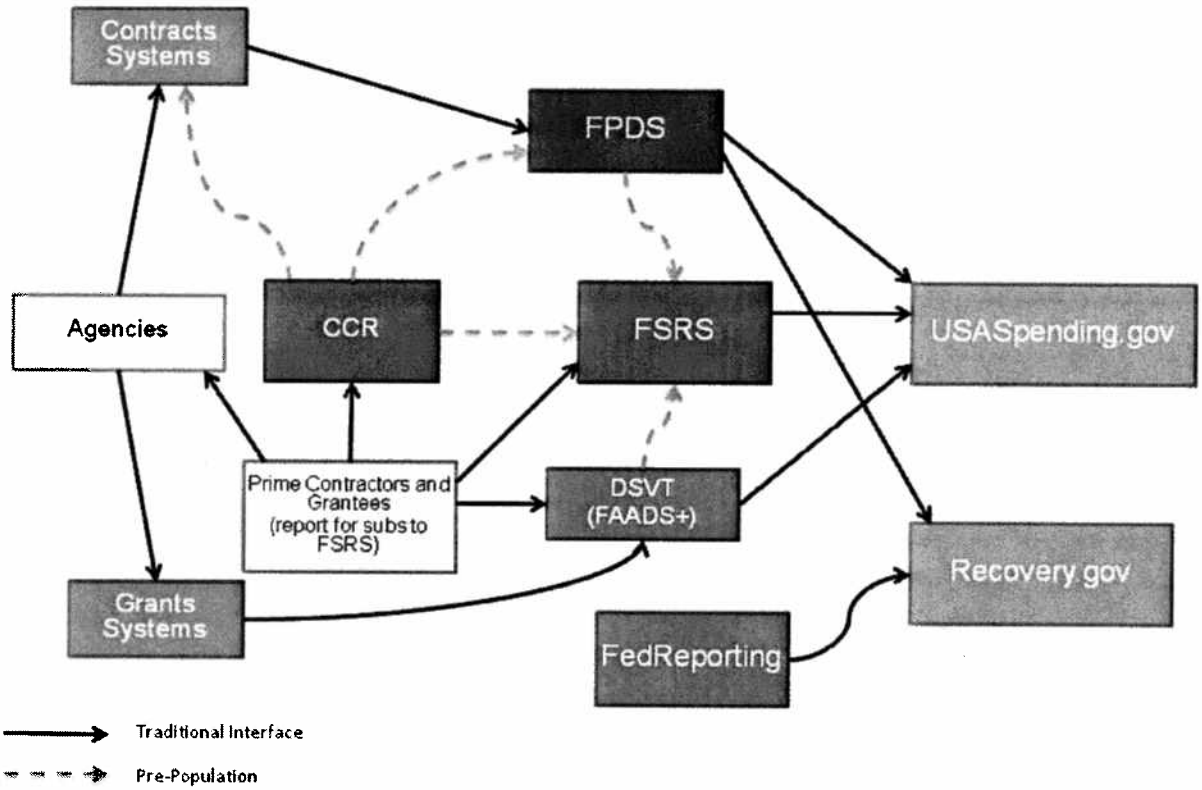

Figure 9: Awardee Reporting Architecture System Interface Diagram

4.3.1 Contracts Pre-population

The relationship between FPDS and FSRS is critical for contracts reporting. FPDS, which is the primary reporting tool for Federal contracts, maintains interfaces with agencies' contract writing systems (CWS) as well as other Integrated Acquisition Environment (IAE) systems and USASpending.gov. These interfaces allow the updating of detailed contract and contractor information on an almost real-time basis when a contract is made or modified. A 2008 memo from the Office of Federal Procurement Policy (OFPP) mandated that agency heads be required to certify data accuracy, and that a third-party validation and verification process be instituted. The OFPP's ongoing efforts have achieved some success in building additional confidence in the data stored in FPDS, with the recognition that continuous improvements are needed.

In addition to collecting data, FPDS publishes data using Atom feeds and other reporting mechanisms and allows for various reports for differing user communities. Because this data is published using open standards, FSRS and USASpending.gov are both able to retrieve and report the data on a real-time basis.

4.3.2 Grants Pre-population

For the near-term target state, a process similar to that of contracts pre-population will be adopted for grants. Currently, agencies awarding grants are required to report information by uploading files using the FAADS Plus file specification to USASpending.gov. The files are then received and validated by the USASpending.gov DSVT module.

Awardees report Recovery Act funds through Excel files or XML files to FederalReporting.gov. There is no pre-population of data. Awardees' reports may differ from the data stored by Federal agencies and by USASpending.gov.

In the Awardee Reporting Architecture, FSRS will be designed to pre-populate data from USASpending.gov. USASpending.gov will be leveraged for this purpose because it is currently the most accessible source of grants award data.

4.3.3 Registration

All prime grantees and contractors are currently required to register with D&B, at a minimum, and this will continue to be leveraged for the Awardee Reporting Architecture. Additionally, prime awardees (both grantees and contractors) will be required to register with CCR, and the new FSRS solution will maintain a connection with CCR for the purposes of pre-populating organization information. The current FSRS solution also maintains a connection with D&B to validate D-U-N-S related information.

4.3.4 Recovery.gov

As described previously, grantees will not have to report in both FederalReporting.gov and FSRS for Recovery data. USASpending.gov proposes to connect with Recovery.gov to gather the grants-related Recovery data.

4.4 Processes

The process for reporting is described here from both an awardee perspective and from an agency's perspective to highlight what changes will be experienced in the near-term target state.

4.4.1 Awardees

The biggest impact on awardees will be in reporting award information. Awardees will be required to register with FSRS. For users accustomed to FederalReporting.gov, FSRS will have certain differences, including the use of a web interface for data collection. FSRS will conduct outreach and training to help ease the transition for awardees.

Prime awardees can register with FSRS to create and view reports where prime awardees are the responsible parties in reporting subaward information. During registration, an awardee's data will be pre-populated with information from CCR if a CCR record exists for the recipient. After creating an account and logging into the system, awardees will have access to a "MyFSRS" page with a set of actions available to them. This customized page will give awardees the ability to file multiple reports, access and update previously initiated reports, view approved reports, and create batch uploads.

The batch upload option will be particularly useful for grantees who prefer the use of Microsoft Excel for reporting. The FSRS solution will provide a downloadable template that can be filled out and submitted online. This template will be available as a Comma Separated Values (CSV) file, and must be submitted in the format provided by FSRS. Reporting may also provide for other types of batch uploading capabilities, including XML formats.

To initiate a new report, prime awardees will provide a basic set of data about the contract or grant being reported. Users will be able to find the appropriate award by using a variety of potential identifiers, possibly in combination. These identifiers include, but are not limited to, award ID, award amount, awarding agency, or program number. The report template and screens will guide the user through the process. Throughout the reporting process, recipients can save their progress and return at a later time to complete the reporting.

An additional requirement of FFATA is to capture the top five highly-compensated officials of the organization, if circumstances described in Section 1.1.1 are met. For organizations registered in CCR, this information can be entered into CCR and then pre-populated into FSRS. Alternatively, for those not using CCR, FSRS will provide fields for capturing this data.

4.4.2 Agencies

In the near-term target state, agencies reporting contracts information will follow a process very similar to the one in place today. Contract information will be provided to FPDS, and this data will be used to pre-populate information for recipients. Agency users will login to FSRS to review recipient reports. USASpending.gov will leverage a new interface to FSRS to retrieve data.

The key difference will be the collection of additional data elements specified in the FFATA legislation and guidance, such as the executive compensation and subaward data. Figure 10 shows how the process will change for agencies reporting about grants information. The red box indicates a change from the current process.

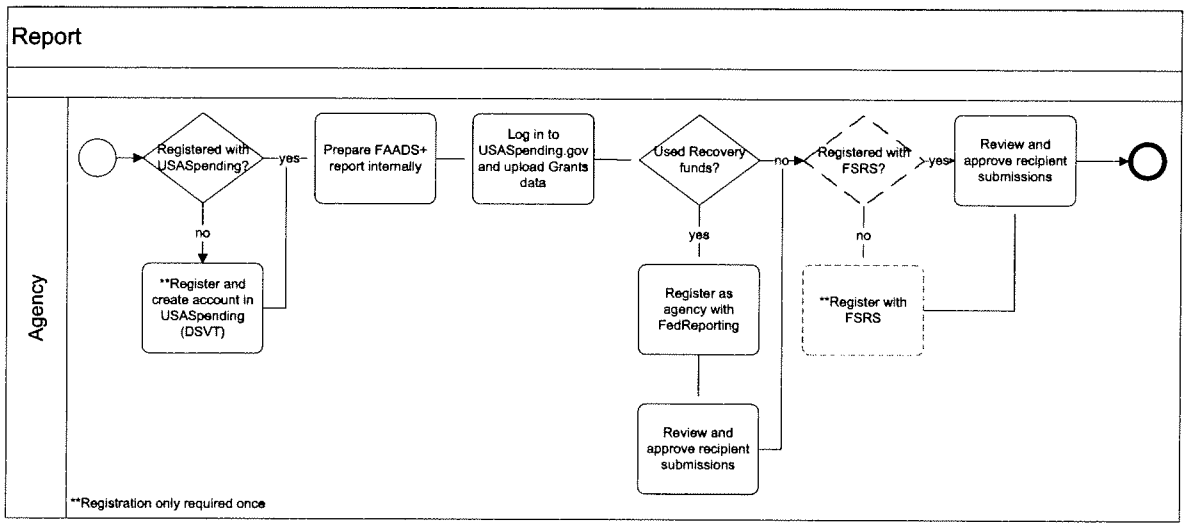

Figure 10: Near-Term Target Reporting Process for Grants

Figure 11 depicts the process flow for agency reporting for acquisitions.

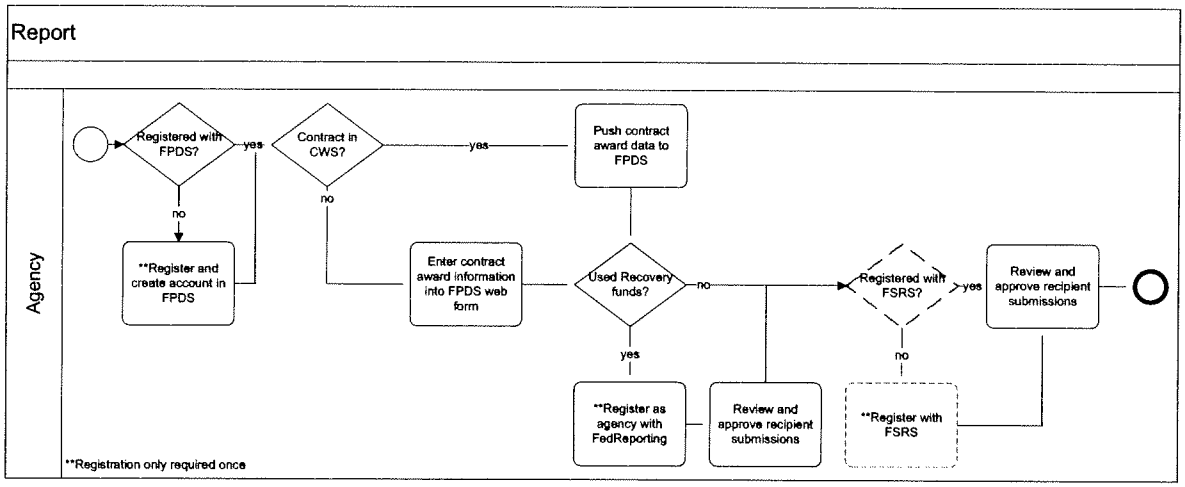

Figure 11: Near-Term Target Reporting Process for Contracts

As shown in Figure 9 in the previous section, agencies reporting on grants awards may collect information directly from grantees and provide information to USASpending.gov through DSVT. For the near-term, these processes will continue. However, once the data is available in USASpending.gov, it will also be available to pre-populate FSRS reports. This will allow agencies to respond to reports more quickly, and consequently improve the quality of data.

Because there is a difference in both the data collected and the terminology used in contracts and grants, the FSRS solution will present customized subaward reporting templates to support the business process for each community.

5 Conclusions

Federal spending transparency is a crucial component of open government. The Awardee Reporting Architecture will bring USASpending.gov more fully into compliance with FFATA and other relevant spending transparency mandates from OMB. It will allow the public to use new and exciting capabilities such as discovering the first-tier subawards of Federal grants, and viewing the salaries of the five highest-paid executives at entities conducting significant business with the Federal Government.

The Awardee Reporting Architecture will also drive efficiency by consolidating grant and contract sub-reporting into a coherent, unified, and integrated system through modification of FSRS. It will thus be a far more important development than a simple compliance exercise, and will effectively align USASpending.gov with the future target architecture and help position it for sustainable long-term development and growth. In this manner, the Awardee Reporting Architecture provides the first step towards the longer-term solution of the FSSA.

Appendix A – Acronym List

ARRA – The American Recovery and Reinvestment Act (Recovery Act)
BPN – Business Partner Network
CCR – Central Contractor Registration
CFDA – Catalog of Federal Domestic Assistance
CSV- Comma Separated Values
CWS – Contract Writing System
D&B – Dun and Bradstreet
DSVT - Data Submission and Validation Tool
DUNS – Data Universal Numbering System
eSRS - Electronic Subcontracting Reporting System
FAC – Federal Acquisition Circular
FAR – Federal Acquisition Regulations
FBO – Federal Business Opportunities/FedBizOpps
FFATA – Federal Funding Accountability and Transparency Act of 2006
FPDS – Federal Procurement Data System
FSRS - FFATA Subaward Reporting System
GSA – General Services Administration
HTTP – Hypertext Transfer Protocol
IAE - Integrated Acquisition Environment
NAICS – North American Industry Classification System
OFPP – Office of Federal Procurement Policy
OMB – Office of Management and Budget
URI – Uniform Resource Identifier
WDOL - Wage Determinations Online
WOA – Web Oriented Architecture
XML – eXtensible Markup Language

Appendix B – BPMN Legend

The Business Process Modeling Notation (BPMN) is a graphical notation that depicts the steps in a business process. BPMN depicts the end to end flow of a business process. The notation has been specifically designed to coordinate the sequence of processes and the messages that flow between different process participants in a related set of activities.

The following table explains the BPMN symbols used in the course of this document.

Element	Description	Notation
Task (Atomic)	A Task is an atomic activity that is included within a Process. A Task is used when the work in the Process is not broken down to a finer level of Process Model detail.	
Process/Sub-Process (non-atomic)	A Sub-Process is a compound activity that is included within a Process. It is compound in that it can be broken down into a finer level of detail (a Process) through a set of sub activities.	+
Sequence Flow	A Sequence Flow is used to show the order that activities will be performed in a Process. No name is applied for standard flows.	→

Element	Description	Notation
Activity Looping	The properties of Tasks and Sub-Processes will determine if they are repeated or performed once. There are two types of loops: Standard and Multi-Instance. A small looping indicator will be displayed at the bottom-center of the activity.	
Gateway	A Gateway is used to control the divergence and convergence of Sequence Flow in a Process. Thus, it will determine branching, forking, merging, and joining of paths.	
Pool	A Pool is a graphical container for partitioning the set of activities for one entity from others.	Name
Event	An event is something that "happens" during the course of a business process. These events affect the flow of the process and usually have a cause (trigger) or an impact (result). There are three types of Events, based on when they affect the flow: Start, Intermediate, and End.	Name or Source
Start	As the name implies, the Start Event indicates where a particular process will start.	Start
Intermediate	Intermediate Events occur between a Start Event and an End Event. It will affect the flow of the process, but will not start or (directly) terminate the process.	Intermediate
End	As the name implies, the End Event indicates where a process will end.	End