



The Deputy Secretary of Transportation
WASHINGTON, D.C. 20590

February 01, 2007

MEMORANDUM TO: Secretarial Officers
Departmental Officers
Inspector General
Heads of Operating Administrations

FROM: Maria Cino

A handwritten signature in black ink, appearing to be 'MC', is written over the name 'Maria Cino'.

SUBJECT: Implementation of *Federal Funding Accountability and Transparency Act*

The *Federal Funding Accountability and Transparency Act* (FFATA), signed into law by President Bush on September 26, 2006, requires the creation of a single, governmentwide website detailing Federal awards. This free, searchable website will be accessible to the public by January 1, 2008. The full text of the legislation is attached.

The website will include information on contracts at both the contractor and subcontractor level and Federal financial assistance for recipient and subrecipient entities, and will provide the public with a resource to ascertain the amount and use of Federal funding awarded.

The law defines "federal award" to mean: Federal financial assistance and expenditures including grants, subgrants, loans, awards, cooperative agreements and other forms of financial assistance. It also includes contracts, subcontracts, purchase orders, task orders, and delivery orders. Individual transactions below \$25,000 are excluded as are credit card transactions before October 1, 2008.

The Office of Management and Budget (OMB), assisted by a governmentwide task force, is currently developing standards and clarifying requirements in order to create the website. However, the required data elements will include at least the name and location of the entity receiving the award, a unique identifier of the entity and any parent entity, the award amount and transaction type, a descriptive award title, the primary location of performance (including city, state, congressional district, and country) and the funding agency and program source.

Given the broad impact of the law and the relatively short coordination and implementation period, these efforts require a significant amount of cooperation across

the Department, and the assistance of you and your staff is needed to ensure DOT is in compliance with all requirements and meets all deadlines.

Senior Procurement Executive David Litman, Chief Information Officer Dan Mintz, and Quintin Kendall in OST Budget will serve as Departmental leads for the FFATA. Each mode and office that awards financial assistance or contracts should also identify one person to serve as a point of contact for the Department's FFATA efforts. Your point of contact should have the capability and authority to represent the office or mode and be able to coordinate with the impacted staff involved with program, procurement, finance, and information technology.

Each point of contact will be responsible for working with the departmental leads to:

- Identify and/or validate a list of all impacted programs to determine if each program is supported by an automated system that contains all required data elements.
- Determine what steps are necessary if program(s) are not supported by an electronic database and/or do not collect the required data elements.

Your point of contact should plan to attend an executive-level kickoff meeting of a DOT-wide task force in the near future, with additional action items and staff-level meetings to follow. Please provide the name of your point of contact to Sheldon Edner at 366-9646 or sheldon.edner@dot.gov by February 7, 2007.

Attachment

The Federal Funding Accountability and Transparency Act

PUBLIC LAW 109-282—SEPT. 26, 2006

FEDERAL FUNDING ACCOUNTABILITY AND
TRANSPARENCY ACT OF 2006

Public Law 109-282
109th Congress

An Act

Sept. 26, 2006
[S. 2590]

Federal Funding
Accountability
and
Transparency Act
of 2006.
31 USC 6101
note.
31 USC 6101
note.

To require full disclosure of all entities and organizations receiving Federal funds.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the “Federal Funding Accountability and Transparency Act of 2006”.

SEC. 2. FULL DISCLOSURE OF ENTITIES RECEIVING FEDERAL FUNDING.

(a) **DEFINITIONS.**—In this section:

(1) **ENTITY.**—The term “entity”—

(A) includes, whether for profit or nonprofit—

- (i) a corporation;
- (ii) an association;
- (iii) a partnership;
- (iv) a limited liability company;
- (v) a limited liability partnership;
- (vi) a sole proprietorship;
- (vii) any other legal business entity;
- (viii) any other grantee or contractor that is not

excluded by subparagraph (B) or (C); and

(ix) any State or locality;

(B) on and after January 1, 2009, includes any subcontractor or subgrantee; and

(C) does not include—

(i) an individual recipient of Federal assistance;

or

(ii) a Federal employee.

(2) **FEDERAL AWARD.**—The term “Federal award”—

(A) means Federal financial assistance and expenditures that—

(i) include grants, subgrants, loans, awards, cooperative agreements, and other forms of financial assistance;

(ii) include contracts, subcontracts, purchase orders, task orders, and delivery orders;

(B) does not include individual transactions below \$25,000; and

(C) before October 1, 2008, does not include credit card transactions.

(3) **SEARCHABLE WEBSITE.**—The term “searchable website” means a website that allows the public to—

(A) search and aggregate Federal funding by any element required by subsection (b)(1);

(B) ascertain through a single search the total amount of Federal funding awarded to an entity by a Federal award described in paragraph (2)(A)(i), by fiscal year;

(C) ascertain through a single search the total amount of Federal funding awarded to an entity by a Federal award described in paragraph (2)(A)(ii), by fiscal year; and

(D) download data included in subparagraph (A) included in the outcome from searches.

(b) IN GENERAL.—

(1) WEBSITE.—Not later than January 1, 2008, the Office of Management and Budget shall, in accordance with this section, section 204 of the E-Government Act of 2002 (Public Law 107-347; 44 U.S.C. 3501 note), and the Office of Federal Procurement Policy Act (41 U.S.C. 403 et seq.), ensure the existence and operation of a single searchable website, accessible by the public at no cost to access, that includes for each Federal award—

(A) the name of the entity receiving the award;

(B) the amount of the award;

(C) information on the award including transaction type, funding agency, the North American Industry Classification System code or Catalog of Federal Domestic Assistance number (where applicable), program source, and an award title descriptive of the purpose of each funding action;

(D) 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;

(E) 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; and

(F) any other relevant information specified by the Office of Management and Budget.

(2) SCOPE OF DATA.—The website shall include data for fiscal year 2007, and each fiscal year thereafter.

(3) DESIGNATION OF AGENCIES.—The Director of the Office of Management and Budget is authorized to designate one or more Federal agencies to participate in the development, establishment, operation, and support of the single website. In the initial designation, or in subsequent instructions and guidance, the Director may specify the scope of the responsibilities of each such agency.

(4) AGENCY RESPONSIBILITIES.—Federal agencies shall comply with the instructions and guidance issued by the Director of the Office of Management and Budget under paragraph (3), and shall provide appropriate assistance to the Director upon request, so as to assist the Director in ensuring the existence and operation of the single website.

(c) WEBSITE.—The website established under this section—

(1) may use as the source of its data the Federal Procurement Data System, Federal Assistance Award Data System, and Grants.gov, if all of these data sources are searchable through the website and can be accessed in a search on the website required by this Act, provided that the user may—

- (A) specify such search shall be confined to Federal contracts and subcontracts;
- (B) specify such search shall be confined to include grants, subgrants, loans, awards, cooperative agreements, and other forms of financial assistance;
- (2) shall not be considered in compliance if it hyperlinks to the Federal Procurement Data System website, Federal Assistance Award Data System website, Grants.gov website, or other existing websites, so that the information elements required by subsection (b)(1) cannot be searched electronically by field in a single search;
- Public comments. (3) shall provide an opportunity for the public to provide input about the utility of the site and recommendations for improvements;
- Deadline. (4) shall be updated not later than 30 days after the award of any Federal award requiring a posting; and
- (5) shall provide for separate searches for Federal awards described in subsection (a) to distinguish between the Federal awards described in subsection (a)(2)(A)(i) and those described in subsection (a)(2)(A)(ii).
- (d) SUBAWARD DATA.—
- (1) PILOT PROGRAM.—
- Deadline. (A) IN GENERAL.—Not later than July 1, 2007, the Director of the Office of Management and Budget shall commence a pilot program to—
- (i) test the collection and accession of data about subgrants and subcontracts; and
- (ii) determine how to implement a subaward reporting program across the Federal Government, including—
- (I) a reporting system under which the entity issuing a subgrant or subcontract is responsible for fulfilling the subaward reporting requirement; and
- (II) a mechanism for collecting and incorporating agency and public feedback on the design and utility of the website.
- (B) TERMINATION.—The pilot program under subparagraph (A) shall terminate not later than January 1, 2009.
- (2) REPORTING OF SUBAWARDS.—
- (A) IN GENERAL.—Based on the pilot program conducted under paragraph (1), and, except as provided in subparagraph (B), not later than January 1, 2009, the Director of the Office of Management and Budget—
- (i) shall ensure that data regarding subawards are disclosed in the same manner as data regarding other Federal awards, as required by this Act; and
- (ii) shall ensure that the method for collecting and distributing data about subawards under clause (i)—
- (I) minimizes burdens imposed on Federal award recipients and subaward recipients;
- (II) allows Federal award recipients and subaward recipients to allocate reasonable costs for the collection and reporting of subaward data as indirect costs; and

(III) establishes cost-effective requirements for collecting subaward data under block grants, formula grants, and other types of assistance to State and local governments.

(B) EXTENSION OF DEADLINE.—For subaward recipients that receive Federal funds through State, local, or tribal governments, the Director of the Office of Management and Budget may extend the deadline for ensuring that data regarding such subawards are disclosed in the same manner as data regarding other Federal awards for a period not to exceed 18 months, if the Director determines that compliance would impose an undue burden on the subaward recipient.

(e) EXCEPTION.—Any entity that demonstrates to the Director of the Office of Management and Budget that the gross income, from all sources, for such entity did not exceed \$300,000 in the previous tax year of such entity shall be exempt from the requirement to report subawards under subsection (d), until the Director determines that the imposition of such reporting requirements will not cause an undue burden on such entities.

(f) CONSTRUCTION.—Nothing in this Act shall prohibit the Office of Management and Budget from including through the website established under this section access to data that is publicly available in any other Federal database.

(g) REPORT.—

(1) IN GENERAL.—The Director of the Office of Management and Budget shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives an annual report regarding the implementation of the website established under this section.

(2) CONTENTS.—Each report submitted under paragraph (1) shall include—

(A) data regarding the usage and public feedback on the utility of the site (including recommendations for improving data quality and collection);

(B) an assessment of the reporting burden placed on Federal award and subaward recipients; and

(C) an explanation of any extension of the subaward reporting deadline under subsection (d)(2)(B), if applicable.

(3) PUBLICATION.—The Director of the Office of Management and Budget shall make each report submitted under paragraph (1) publicly available on the website established under this section.

Public
information.

SEC. 3. CLASSIFIED INFORMATION.

Nothing in this Act shall require the disclosure of classified information.

31 USC 6101
note.

120 STAT. 1190

PUBLIC LAW 109-282—SEPT. 26, 2006

31 USC 6101
note.

**SEC. 4. GOVERNMENT ACCOUNTABILITY OFFICE REPORTING
REQUIREMENT.**

Not later than January 1, 2010, the Comptroller General shall submit to Congress a report on compliance with this Act.

Approved September 26, 2006.

LEGISLATIVE HISTORY—S. 2590:

SENATE REPORTS: No. 109-329 (Comm. on Homeland Security and Governmental Affairs).

CONGRESSIONAL RECORD, Vol. 152 (2006):
Sept. 7, considered and passed Senate.

Sept. 13, considered and passed House.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 42 (2006):
Sept. 26, Presidential remarks.

