

The Federal Funding Accountability and Transparency Act (FFATA)

By: Hope Pendergrass

The Federal Funding Accountability and Transparency Act (FFATA) was signed on September 26, 2006 with a goal to provide more information to American citizens on spending by the U.S. government with the intent of reducing imprudent spending. FFATA requires information disclosure of entities receiving Federal funding through Federal awards such as Federal contracts and their sub-contracts and Federal grants and their sub-grants. FFATA also requires disclosure of executive compensation for some entities. Additionally, FFATA requires the establishment of a publicly available, searchable website that contains information about each Federal award. This website is www.USASpending.gov.

What New Reporting is Required?

Prime grant and contract awardees of Federal grants or contracts (as applicable) of \$25K or more must report associated first-tier sub-grants or sub-contracts of \$25K or more.

Consistent with the OMB guidance,

- A “subaward” is defined as a legal instrument to provide support for the performance of any portion of the substantive project or program for which a recipient received a grant or cooperative agreement award and that is awarded to an eligible subrecipient. The term does not include procurement of property and services needed to carry out the project or program. A subaward may be provided through any legal agreement, including an agreement that the recipient considers a contract.
- A “first-tier subcontract” is defined as 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 ease of reference, this section of the Supplement also refers to these as “subawards.”

Prime awardees must also report executive compensation information for prime (itself) and/or sub-awardees if in the preceding fiscal year:

- The organization received 80% or more of its annual gross revenues in Federal awards and those revenues are greater than \$25 million annually; and
- The public does not have access to information about the compensation of the executives 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.

300 Mulberry Street
Suite 300
Macon, GA 31201
www.mjcpa.com
478.464.8000
800.277.0050

**MAULDIN
& JENKINS**
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Our Resources

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Please contact any of our governmental partners and managers, at 1-800-277-0050 for assistance.

Miller Edwards	medwards@mjcpa.com
Meredith Lipson	mlipson@mjcpa.com
Joel Black	jblack@mjcpa.com
Wade Sansbury	wsansbury@mjcpa.com
Rick Hartley	rhartley@mjcpa.com
Adam Fraley	afraley@mjcpa.com
Doug Moses	dmoses@mjcpa.com
Brannon Medley	bmedley@mjcpa.com
Craig Moyer	cmoyer@mjcpa.com
Matt Hill	mhill@mjcpa.com
James Bence	jbence@mjcpa.com



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The following sub-award information is required for reporting:

- Name of entity receiving award
- Amount of award (obligated amount)
- Funding agency
- NAICS code for contracts / CFDA program number for grants
- Program source
- Award title descriptive of the purpose of the funding action
- Location of the entity (including congressional district)
- Place of performance (including congressional district)
- Unique identifier of the entity and its parent (DUNS); and
- Total compensation and names of top five executives (prime or subawardee, where applicable)

As a general rule, grants funded by ARRA are **not** subject to these new reporting requirements. However, if a subaward is made using both ARRA and non-ARRA funding sources, the Section 1512 ARRA requirement would apply to the ARRA-funded part of the subaward, while the Transparency Act reporting requirement applies to the non-ARRA funds. For example, if a subaward is made with \$40,000 in ARRA funding and \$30,000 in non-ARRA funding, activities related to the \$40,000 must be reported in [FederalReporting.gov](http://www.federalreporting.gov); while the \$30,000 non-ARRA subaward amount must be reported in the Funding Accountability and Transparency Subaward Reporting System (discussed below).

Who is Responsible for Reporting?

- Federal agencies must report prime award information



- Prime awardees must report subaward information and executive compensation information



When Does Reporting Begin?

Grants: For Federal grant awards of \$25K or more made on or after **October 1, 2010**, prime awardees must report associated first-tier sub-grants of \$25K or more and executive compensation data.

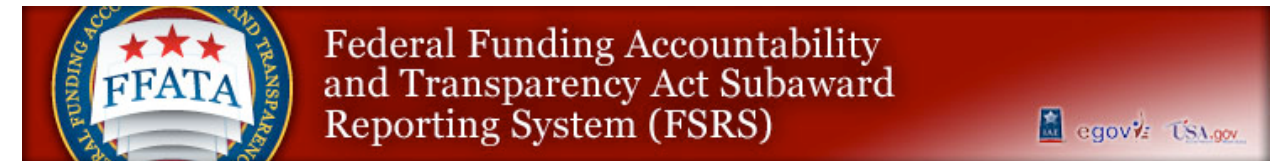
Contracts subaward (sub-contracts only) reporting requirement will be phased in

Phase 1: Reporting subawards of prime awards valued greater than \$20M began in **July 2010**

Phase 2: Reporting subawards of prime awards valued greater than \$550K began **October 1, 2010**

Phase 3: Reporting subawards of prime awards valued at \$25K or more began **March 1, 2011**

How Do Entities Report?



Grant and cooperative agreement recipients and contractors are required to register in the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS) and report subaward data through FSRS (www.fsr.gov). To do so, an entity will first be required to register in Central Contractor Registration (CCR) (if they have not done so previously for another purpose, e.g., submission of applications through Grants.gov) and actively maintain that registration. Prime contractors have previously been required to register in CCR.

How Long Do I Have to Report?

Grant and cooperative agreement recipients and contractors must report information related to a subaward by the end of the month following the month in which the subaward or obligation of \$25,000 or greater was made and, for contracts, the month in which a modification was issued that changed previously reported information.

Example 1:

Recipient or contractor awards first-tier subaward on November 1, 2010

Recipient or contractor must report first-tier subaward information by December 31, 2010

Example 2:

Recipient or contractor awards first-tier subaward on January 31, 2011

Recipient or contractor must report first-tier subaward information by February 28, 2011

Example 3:

Under a first-tier subaward with a value of \$60,000 in Federal funds and an initial obligation of \$25,000 reported at the time of the subaward, the recipient makes a second obligation of \$35,000 in Federal funds on April 4, 2011

Recipient must report obligation by May 31, 2011

Example 4:

Under a first-tier subaward with a value of \$60,000 in Federal funds, a contractor modifies the subaward on April 15, 2011 to add \$15,000 in Federal funds (increasing the overall value to \$75,000)

Contractor must report modification by May 31, 2011

How Do I Find More Information on FFATA?

OMB has issued several documents that provide guidance on the reporting requirements under the Transparency Act (located at (<http://www.whitehouse.gov/omb/open>)). Among them are *Open Government Directive – Federal Spending Transparency* (April 6, 2010) and *Open Government Directive – Federal Spending Transparency and Subaward and Compensation Data Reporting* (August 27, 2010).