




Transparency Act Subaward and Executive Compensation Reporting



Agenda

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- ▶ What new reporting is required?
- ▶ When does reporting begin?
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The Federal Funding Accountability and Transparency Act (“Transparency Act” or “FFATA”) of 2006 and subsequent 2008 amendments:

- ▶ 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
- ▶ Requires disclosure of executive compensation for certain entities
- ▶ Requires the establishment of a publicly available, searchable website that contains information about each Federal award
- ▶ Requires agencies to comply with OMB guidance and instructions and assist OMB in implementation of website



What new reporting is required?

- ▶ Prime contract awardees of Federal contracts of \$25K or more must report associated first-tier sub-contracts of \$25K or more.
 - Data collection will be phased with all required first-tier sub-contracts reporting by March 2011 (see slide 7 for more details).
- ▶ Prime grant awardees of Federal grants of \$25K or more must report associated first-tier sub-grants of \$25K or more. Grants funded by the American Recovery and Reinvestment Act (ARRA) are not subject to these new reporting requirements.
- ▶ Sub-award Information 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; and
 - Total compensation and names of top five executives (prime or subawardee)



What new reporting is required?

- ▶ Prime awardees must report executive compensation information for prime or sub-awardees if in the preceding fiscal year:
 - (1) The organization received 80% or more of its annual gross revenues in Federal awards and those revenues are greater than \$25 million annually; and
 - (2) 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.

NOTE: Classified information remains exempt from the prime and sub-award reporting requirement

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What are other related requirements for grant recipients?

- ▶ CCR registration for prime grant recipients
- ▶ DUNS number requirement for prime and first-tier sub-recipients



When does reporting begin?

- ▶ Contracts: First-tier sub-contracts reporting requirement will be phased in:
 - **Phase 1:** Reporting first-tier sub-contracts of prime awards valued greater than \$20M (**July 2010**)
 - **Phase 2:** Reporting first-tier sub-contracts of prime awards valued greater than \$550K (**October 1, 2010**)
 - **Phase 3:** Reporting first-tier sub-contracts of prime awards valued at \$25K or more (**March 1, 2011**)
- ▶ 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.

How long do prime recipients have to report?

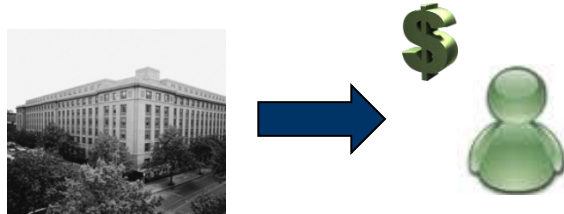


Prime awardees must report first-tier sub-award information by the end of the month following the month the sub-award or sub-award's obligation was made

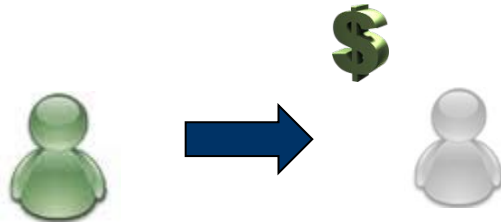
- ▶ For example, if an award is made on October 10, 2010 the awardee would have until November 30, 2010 to report the award. Awards made during October 2010 will have until November 30, 2010 to report.

Who is responsible for reporting?

- ▶ Agencies must report prime award information. Without this information, prime awardees will not be able to report sub-award information.



- ▶ Prime awardees must report first-tier sub-award information and executive compensation information

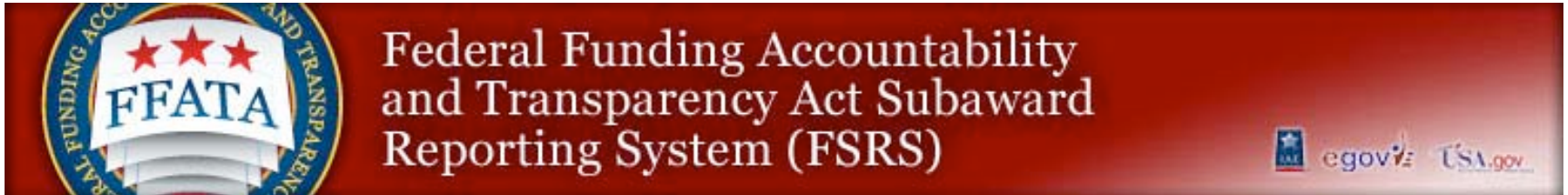




How does reporting occur?

- ▶ Agencies must report **prime grant** award information through the **Federal Assistance Award Database System Plus format (FAADS+)** within **30 days of the award**
- ▶ Agencies must report **prime contract** award information through the **Federal Procurement Data System – Next Generation (FPDS-NG)**
- ▶ Prime contract and grant awardees must register with the **Central Contractor Registration (CCR)**
- ▶ If required, prime contract and grant awardees must report executive compensation for prime awardees through **CCR**
- ▶ Prime contract and grant awardees must report **sub-award** information through the **FFATA Sub-award Reporting Systems (FSRS)**

What is FSRs?



FSRS is the FFATA Sub-award Reporting System and can be found at www.fsrs.gov. Its functions include:

- ▶ Collects sub-contract and sub-grant award information from prime awardees
- ▶ Supports CSV “batch” inputs and XML inputs
- ▶ Pre-populates prime award information. Prime awardees enter following sub-award information if not pre-populated:
 - Name of entity receiving award
 - DBA name (Grants)
 - Amount of award
 - Subcontract/Subcontract Number
 - Funding agency
 - CFDA Number (Grants)
 - NAICS (Contracts)
 - Treasury Account Symbol (Contracts)
 - 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 (e.g., DUNS) of the entity and its parent and DUNS +4 (Grants)
 - Total compensation and names of top five executives
- ▶ Leveraging Electronic Subcontract Reporting System (eSRS). No additional registration is required if you have an existing account in eSRS.



Summary

Who?	Reports what?	How?
Agency	Prime award information for Federal awards \$25K or more	FAADS+ for grants, FPDS-NG for contracts
Prime contract awardee	Awardee information Executive compensation First-tier sub-contracts of \$25K or more	CCR CCR or FSRS* FSRS
Prime grant awardee	Awardee information Executive compensation First-tier sub-grants of \$25K or more	CCR CCR or FSRS* FSRS

- If executive compensation is not found in CCR, it can be supplied through FSRS.

Other guidance and documents help implement FFATA reporting requirements.



- ▶ The Office of Management & Budget has issued guidance related to Open Government and Transparency to include the April 6, 2010 memo requiring the reporting of first-tier sub-awards.
- ▶ On July 8, 2010, an interim FAR Rule with request for comments was published that contains information on the FFATA reporting requirements for Federal contracts. Comments were due by September 7, 2010.
- ▶ On August 27, 2010, OMB issued guidance to Federal agencies on implementation of the Transparency Act's executive compensation and subaward reporting.
- ▶ On September 14, 2010, OMB issued interim final guidance to Federal agencies on the grants sub-award reporting, CCR registration, and DUNS number requirements.



Questions or Comments

Federal Spending Transparency:

www.USAspending.gov

OMB's website for Federal Spending Transparency:

www.whitehouse.gov/omb/open

FFATA Sub-award Reporting System

www.fsrs.gov