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Office of the Controller

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MEMORANDUM #2012-2

TO: Division Directors
Division/Institution Budget Officers

FROM: Laketha M. Miller *Laketha M. Miller*

SUBJECT: Federal Funding Accountability and Transparency Act Reporting

In accordance with the Federal Funding Accountability and Transparency Act (FFATA or Transparency Act), prime awardees of individual Federal grants that are equal to or greater than \$25,000 and awarded on or after October 1, 2010, are required to report on data related to executive compensation and associated first-tier sub-grants of \$25,000 or more.

Much confusion existed with the initial rollout of FFATA both on the Federal and State sides. Guidance was initially sketchy as well. In conversations with Federal representatives and other states, many states were not in compliance with the reporting requirements. However, with the references provided below, we believe that the Department can effectively implement FFATA at this time. Also, it is hoped that the rollout of Open Window will greatly facilitate the process. Note as well, that reporting will have to be retroactive to October 1, 2010.

The following provides an overview of FFATA reporting requirements, including reporting timelines and required data.

****Exception for Recovery Act Grants**** Grants that are funded by the Recovery Act are not subject to FFATA reporting requirements. Other exceptions are given in the August 27, 2010 OMB memorandum on Federal Spending Transparency and Subaward and Compensation Data Reporting.

FFATA REPORT REQUIREMENTS

All prime recipients of individual Federal grants of \$25,000 or more that are awarded on or after October 1, 2010, are required to report subaward and executive compensation data on the FFATA Subaward Reporting System (FSRS) at <http://www.fsrs.gov/>. Note that 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.

Prime awardees must report executive compensation information for prime and/or subawardees if:

- The entity in the preceding fiscal year received 80 percent or more of its annual gross revenues from Federal awards;
- The entity received \$25 million or more in annual gross revenues from Federal awards; and,
- The public lacks access to executive compensation data via periodic reports filed by the entity in compliance with SEC and IRS requirements.

FFATA Report Timeline

Prime grant recipients must submit FFATA required data into FSRS by the end of the month, plus 30 days, in which the award or award amendment is made. For example, if a subaward was made on October 15, 2010, the prime recipient has until November 30, 2010 to report the subaward information.

Non-compliance with the FFATA reporting requirement is a violation of the award, and FRA reserves the right to take action, as outlined in the award agreement, to ensure compliance.

FFATA Report Summary

Submission Process	<p>Prime grant recipients** must submit sub-award and executive compensation data required by FFATA on the FFATA Subaward Reporting System (FSRS) using the online form provided at http://www.fsr.gov/.</p> <p>**Note that the FSRS system will be available to grant recipients beginning October 29, 2010**</p>
Data Elements*	<ul style="list-style-type: none"> • Basic prime award data • Basic subaward data: <ul style="list-style-type: none"> ○ 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 and/or subawardee)

*Some prime and subaward information will be pre-populated in the online FFATA form with data from the Federal Assistance Award Database System (FAADS) and Central Contractor Registration System (CCR).

**A prime recipient is an entity that directly receives Federal funding to implement a project.

Registration Instructions

Prior to submitting FFATA reports, prime recipients must register in the new FFATA Subaward Reporting System (FSRS) at <http://www.fsr.gov/>.

Registration Prerequisites

- 1) DUNS Number - **All subgrantees listed on the report must obtain DUNS numbers.** This was also required for the recovery grants so many subgrantees are already equipped with a DUNS number.
- 2) Central Contractor Registry (CCR) registration

ADDITIONAL RESOURCES FOR FFATA REPORTING

For additional information on FFATA reporting, please refer to the [training and informational materials provided on USASpending.gov](#).

For questions regarding FFATA reporting, please refer to the [USASpending.gov FAQs](#) related to sub-award reporting.

FFATA will be coordinated by each division. The division can assign the reporting task to the most appropriate staff. Largely, the assumption is that a budget officer or contract administrator will fill this roll. The Office of the Controller's Audit Resolution and Monitoring Branch (ARM) will provide high level oversight. Please notify Leigh Ann Kerr at 855-3738 or Leighann.Kerr@dhhs.nc.gov of the staff names that will coordinate the division's FFATA reporting. Subsequent notification of the completion of the FFATA reports should also be submitted to ARM. All divisions should have completed the initial reports by September 15, 2011.

Thank you in advance for your cooperation with this initiative.

Cc: Executive Committee
Office of the Controller Section Chiefs
Leigh Ann Kerr