

STATE OF VERMONT DEPARTMENT OF FINANCE & MANAGEMENT			
<b>Policy Title:</b>	<b>Federal Funds Accountability and Transparency Act (FFATA) Compliance</b>	<b>Policy #:</b>	<b>8.0</b>
		<b>Issued:</b>	<b>1/31/2011</b>
<b>Applicable to:</b>	<b>All State Agencies, Departments and Offices</b>	<b>Revision #:</b>	<b>N/A</b>
		<b>Revision Date:</b>	<b>N/A</b>
<b>Issued by:</b>	<b>James Reardon, Commissioner Department of Finance &amp; Management</b>	<b>Page:</b>	<b>1 of 5</b>

## **Policy Statement:**

**All State of Vermont agencies, departments and offices that expend federal funds shall adhere to the requirements of the Federal Funding Accountability and Transparency Act.**

### A. Background:

On September 26, 2006, President Bush signed the Federal Funding Accountability and Transparency Act ("FFATA" or Transparency Act) into law (P.L. 109-282). In an attempt to expand oversight of federal spending, the new law required the Office of Management and Budget (OMB) to establish a publicly searchable online database containing information about entities that are awarded federal grants, loans, and contracts. With the passage of the American Recovery and Reinvestment Act of 2009 ("ARRA" or "Recovery Act"), the first phase of reporting related to FFATA began on a limited basis. On October 1, 2010, full implementation of FFATA reporting requirements went into effect for all federal awards as outlined in the Applicability section below.

This policy outlines the requirements of FFATA as they pertain to prime recipients and provides guidance to State of Vermont agencies and departments to ensure compliance with these requirements.

### B. Applicability:

All State of Vermont Agencies, Departments and Offices that expend federal funds are subject to the conditions of this policy.

#### Applicable Federal Awards: (direct federal awards issued **to** the State of Vermont)

- New non-ARRA federal awards (grants, contracts, cooperative agreements, loans & other federal assistance) issued to the State of Vermont on or after October 1, 2010 and their resulting first-tier subawards
- Awards with a new Federal Award Identification Number (FAIN) as of 10/1/2010

Reporting requirements for Federal contracts [issued **to** the State of Vermont], including those issued under the Recovery Act, are outlined in the Federal Acquisition Regulation (FAR) 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](http://www.acquisition.gov).

#### Excluded Federal Awards: (direct federal awards issued **to** the State of Vermont)

- Continuing or renewal awards for grants originally issued prior to 10/1/2010
- All awards issued under the Recovery Act (ARRA) - these will continue to use 1512 reporting

#### Applicable Subawards: (federal awards issued **by** the State of Vermont)

- Contracts: From 10/1/2010 to 2/28/2011 – Newly awarded subcontracts must be reported if the prime contract award amount was \$550,000 or more. Beginning 3/1/2011, all newly awarded subcontracts must be reported if the contract award amount is equal to or exceeds \$25,000.

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- Grants: All subgrants equal to or in excess of \$25,000 awarded on or after 10/1/2010.
  - If a subgrant award initially exceeds \$25,000 but is later amended to below \$25,000, it must continue to be reported under the Transparency Act.
  - If a subgrant award is initially below \$25,000 but subsequent amendments increase the award amount over \$25,000, it must be included as of the date the award equals or exceeds \$25,000.

Excluded Subawards:

- Awards less than \$25,000 (See Applicable Subawards above for requirements regarding amended subgrants.)
- Awards to individuals
- Awards to entities with a gross income, from all sources, of less than \$300,000 in the previous tax year
- Awards that if reported would disclose classified information
- Awards otherwise excluded by a federal agency

C. Definitions:

*Federal Awards* – Awards received by the State of Vermont (designated as the prime recipient) directly from the Federal government

*First-tier subawards* – Subawards issued by the prime recipient to subrecipients or contractors.

*Lower-tier subawards* – Subawards issued by first-tier recipients to their own subrecipients or contractors. These subawards are **not** subject to Transparency Act reporting.

*Prime Recipient* – The recipient of a direct federal award. In this case, it means State of Vermont agencies, departments and offices. Federal awards received by the State of Vermont from non-federal agencies are **not** subject to Transparency Act reporting.

*Subawards* – Subawards are defined by the Office of Management and Budget (OMB) in their August 27, 2010 memorandum “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 [. . .] 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 [Federal] award.” In other words, subawards that pursue or carryout the purposes of the prime award are considered subawards for the purposes of FFATA reporting.
- The term “subaward” **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 prime recipient or sub-recipient considers a contract.

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D. Minimum Requirements:

- Prime recipients must register their DUNS number into the Central Contractor Registration System (CCR) in order to receive federal awards after 10/1/2010. Registrations must be updated at least annually.
- Prime recipients must register into the FFATA Subaward Reporting System (FSRS).
- Prime recipients must obtain the DUNS number for each recipient of an applicable subaward prior to its execution. This DUNS number must be included in the official subaward document. (Applicable subawards are defined in the Applicable Subawards section of this policy.)
- Prime recipients must report first-tier subawards, including all applicable data and executive compensation data in the FSRS at least monthly.
  - Awards executed in one month must have all applicable data entered into the FSRS no later than the end of the following month. Example: Subaward executed on November 10 must be entered into the FSRS no later than December 31.
  - Subaward amendments must be entered into the FSRS no later than the month following the date the amendment occurred. (See the Applicable Subawards section for information pertaining to amended subawards.)

*FSRS Reporting*

- Federal agencies will pre-populate award and prime recipient information in the FSRS. Contact your federal granting agency if your federal awards are not found in the FSRS. Federal agencies are required to enter awards to prime recipients meeting the definitions of Applicable Federal Awards in this policy.
- Prime Recipients must provide the data elements listed in the Data Elements to Report section of this policy for each subaward required to be reported. The following data submission methods may be used:
  - Manual data entry on an individual subaward basis – Subawards may be entered into the FSRS upon execution by the prime recipient.
  - Manual data entry on a monthly basis – Subawards may be manually entered into the FSRS on a monthly basis and must include all subawards issued in the prior month.
  - Batch upload on a monthly basis – The FSRS allows for batch uploads using a predefined template. The template may be obtained from FSRS.gov.

*Data Elements to Report*

Pre-populated Data

- Federal Award Identifier Number (FAIN)
- Federal Agency Name
- Prime Recipient DUNS, Name, Address, etc.
- CFDA
- Project Description

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- Amount
- Award Date

Data Entered by Prime Recipient

- DUNS number of first tier recipient
- Name of the first tier recipient (Will be pre-populated if recipient is registered in CCR.)
- First tier recipient address (Will be pre-populated if recipient is registered in CCR.)
- Amount of the subaward
- Subaward Date
- Principal place of performance (address of the primary site where work will be performed).
- Subaward number (this must match the award or contract number entered in VISION.)
- Names and total compensation of the five most highly compensated officers are required only when:
  - The entity received 80% or more of its annual gross income from federal awards **and**
  - The entity received \$25,000,000 or more in annual gross revenues **and**
  - This information is not already available through filings with the SEC or Federal Form 990
- Subaward Description

*Best Practices & Recommendations*

- It is recommended that agencies and departments develop processes to allow for entry of their subawards into the FSRS at the same time that they complete their VISION grant entry. This will require a minimum amount of handling of grant award documents and will help to ensure that entries are entered into both systems as required.
- Queries of VISION subaward data (contracts and grants) should be run periodically and compared to FSRS subaward data to verify accuracy and completeness.

**E. Related Regulations:**

FFATA requirements and information pertaining to FSRS reporting can be found on the FSRS website at [www.fsr.gov](http://www.fsr.gov). The FSRS system is accessed from this website and it also contains links to federal regulations and OMB guidance, an extensive FAQ section, and training materials for using the FSRS.

The FAR Interim Final Rule implementing requirements for reporting associated with Federal contracts, pursuant to the Transparency Act is available at <http://www.regulations.gov/#!documentDetail;D=FAR-2010-0093-0001>.

**F. Monitoring:**

The Department of Finance & Management will monitor compliance with this policy on an ongoing basis.

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G. Waivers and Exceptions:

*Exceptions* – Awards funded under the Recovery Act are not subject to Transparency Act reporting requirements. These awards will continue to use 1512 reporting procedures.

*Waivers* – The State of Vermont does not have the authority to waive any provisions of federal policy or regulation. If a federal agency waives any provision of this policy for a particular federal program, a written copy of the waiver must be maintained in official grant files and made available upon request.

H. Effective Date:

Effective: 10/1/2010