

Federal Funding Accountability & Transparency Act – The Facts

In September, 2006, President Bush signed into law the Federal Funding Accountability and Transparency act (FFATA) (P.L. 109-282). This law is intended to expand oversight of federal spending, including earmarks. This new law required the Office of Management and Budget (OMB) to issue guidance, and establish a publicly available online database where recipients of federal grants and contracts must disclose information about their sub-recipients and subcontractors.

Compliance with FFATA began October 1, 2010, with first reporting required on sub-recipients and sub-awards due November 30, 2010. There are some differences in the requirements between grants and contracts, which have been outlined below. At UAS, most awards are received as grants.

For **Grants**, in accordance with **2 CFR Chapter 1, Part 170 Reporting Sub-award and Executive Compensation Information**: Prime Awardees (UAS) awarded a federal grant are required to file a FFATA sub-award report by the end of the month following the month in which the prime awardees awards any subcontract equal to or greater than \$25,000. The reporting requirements are as follows:

- Applies to NEW federal assistance and cooperative agreement awards over \$25,000 with an award date on or after October 1, 2010. (Recipients with an earlier start date will not be required to comply with FFATA.)
- All sub-award information must be reported by the prime recipient. (All sub-awardees, sub-recipients must register in the CCR and have a DUNS number.)
- For those new Federal grants as of October 1, 2010, if the initial award is equal to or over \$25,000, reporting of sub-award and executive compensation data is required.
- 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 will be subject to the reporting requirements, as of the date the award exceeds \$25,000.
- If the initial award equals or exceeds \$25,000 but funding is subsequently de-obligated such that the total award amount falls below \$25,000, the award continues to be subject to the reporting requirements of the Transparency Act and this Guidance.

For **Contracts**, in accordance **with Federal Acquisition Regulation clause 52.204-10, Reporting Executive Compensation and First-Tier Subcontract Awards**, Prime Contractors awarded a federal contract or order are required to file a FFATA sub-award report by the end of the month following the month in which the prime contractor awards any subcontract greater than \$25,000. This reporting requirement will be phased-in (see below):

- Phase 1: Reporting subcontracts under federally-awarded contracts and orders valued greater than or equal to \$20,000,000, reporting starts now.
- Phase 2: Reporting subcontracts under federally-awarded contracts and orders valued greater than or equal to \$550,000, reporting starts October 1, 2010.
- Phase 3: Reporting subcontracts under federally-awarded contracts and orders valued greater than or equal to \$25,000, reporting starts March 1, 2011.