



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

June 22, 2009

M-09-21

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

FROM: Peter R. Orszag
Director

A handwritten signature in black ink, appearing to read "P. Orszag", written over the printed name of the Director.

SUBJECT: Implementing Guidance for the Reports on Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009

This memorandum transmits government-wide guidance for carrying out the reporting requirements included in Section 1512 of the American Recovery and Reinvestment Act of 2009 (Recovery Act). The reports required under Section 1512 of the Act will be submitted by recipients beginning in October 2009 and will contain detailed information on the projects and activities funded by the Recovery Act. When published on www.Recovery.gov, these reports will provide the public with an unprecedented level of transparency into how Federal dollars are being spent and will help drive accountability for the timely, prudent, and effective spending of recovery dollars.

Federal efforts to provide transparency into Recovery Act spending have been underway since the Act's inception. Today, www.Recovery.gov and individual agency websites contain voluminous data on Federal agency spending, including weekly updates on all Recovery Act obligations and outlays. As significant recovery funds have now made their way into local communities and the work to rebuild our economy continues to gain momentum, it is essential that the public have access to information on the manner in which funds are being expended at the local level.

Recipient reports required by Section 1512 of the Recovery Act will answer important questions, such as:

- Who is receiving Recovery Act dollars and in what amounts?
- What projects or activities are being funded with Recovery Act dollars?
- What is the completion status of such projects or activities and what impact have they had on job creation and retention?

Based on input received from the public on previous implementing guidance issued by the Office of Management and Budget (OMB), the reporting framework in the attached guidance has been updated and enhanced to capture additional spending data from prime recipients and sub-recipients of Federal financial assistance Recovery Act

awards. Further, OMB has worked with the Recovery Accountability and Transparency Board to deploy a nationwide data collection system at the website www.FederalReporting.gov that will reduce information reporting burden on recipients by simplifying reporting instructions and providing a user-friendly mechanism for submitting required data. However, the attached guidance is not intended to serve as a detailed set of user instructions for the www.FederalReporting.gov system. Instead, additional details for interacting with the system will be provided through the solution itself.

The attached guidance does not apply to Federal government contracts. Additional guidance to Federal government contractors will be forthcoming. Further, as the President directed in his March 20, 2009, Memorandum entitled “Ensuring Responsible Spending of Recovery Act Funds,” OMB conducted a 60-day review of the Administration’s policy on communications with lobbyists regarding Recovery Act funds. OMB’s revised guidance on lobbyist communications is also forthcoming.

Any questions about the requirements contained in the guidance can be sent to recovery@omb.eop.gov.

Thank you for your cooperation.

Attachment

Implementing Guidance for the Reports on Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009

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Section 1 – General Information

1.1 What is the purpose of this Guidance?

The purpose of this Guidance is to provide Federal agencies and funding recipients with information necessary to effectively implement the reporting requirements included in Section 1512 of the American Recovery and Reinvestment Act of 2009 (“Recovery Act,” or “the Act”).

This Guidance:

- Answers questions and clarifies issues related to the mechanics and chronology of recipient reporting required by the Recovery Act;
- Provides clarification on what information will be required to be reported into the central reporting solution at www.FederalReporting.gov and what information will be reported on www.Recovery.gov;
- Instructs recipients on steps that must be taken to meet these reporting requirements, including the incorporation of sub-recipient reporting requirements under Section 1512(c)(4) of the Act; and
- Establishes a common framework for Federal agencies and recipients to manage a data quality process associated with the Recovery Act recipient reporting requirements.

1.2 Does this Guidance modify any previously issued guidance by the Office of Management and Budget (OMB) related to recipient reporting?

This Guidance builds on previously issued guidance materials, covering new areas not previously addressed (e.g., data quality requirements and logistical details surrounding the www.FederalReporting.gov reporting solution), but it also clarifies, and in some cases modifies, previously issued requirements. In particular, this Guidance:

- Identifies additional data elements required pursuant to Section 1512 of the Recovery Act to enhance transparency (Section 2.3 and the supplemental materials to this Guidance);
- Modifies requirements related to recipient data reporting due on July 10, 2009 (Section 2.6); and
- Updates information on methodologies and approaches for reporting job creation/retention estimates (Section 5).

1.3 To which Federal programs does this Guidance apply?

A list of Federal programs subject to Section 1512 of the Recovery Act will be posted on OMB’s website and www.Recovery.gov as supplemental materials to this Guidance.

1.4 Does this Guidance apply to both recipients of Federal assistance awards and Federal contract awards under the Recovery Act?

No. This Guidance does not apply to recipients of Federal contract awards directly from the Federal government. However, recipients of Federal contract awards directly from the Federal government will submit information required by Section 1512 of the Recovery Act through the www.FederalReporting.gov website. The relevant guidance for these recipients is provided in interim Federal Acquisition Regulation (FAR) clause 52.204-11. It is important to note that consideration of the public comments received on the interim FAR clause might result in changes to the clause when it is finalized. Therefore, further guidance, instructions, and examples specifically applying to Federal government contractors will be published in the Federal Register when the clause is finalized. The explanations and example on estimating jobs in Section 5 of this Guidance is consistent with the current interim FAR clause.

In addition, individuals receiving direct payments from the Federal government are not subject to the reporting requirements outlined in this Guidance, as defined by Section 1512(b)(1)(A) of the Act. Sole proprietorships however are subject to the reporting requirements (Section 2.2).

Recipients of loan guarantees are not subject to the reporting requirements outlined in this Guidance, as defined by Section 1512(b)(1)(A) of the Act except 100 percent guaranteed loans financed through the Federal Financing Bank

The provisions in the Guidance apply to recipients of grants, loans, tribal agreements, cooperative agreements, and other forms of assistance (other than those noted above). This Guidance also applies to sub-awards and other payments made by recipients of Federal assistance, including those awards or payments that are made in the form of a contract (i.e., contracts made by an entity other than the Federal government). The reporting requirements do not apply to recipients receiving funds through entitlement or tax programs or to individuals.¹ The Federal agency or prime recipient awarding funds to individuals will report the aggregated amounts disbursed to individuals. Section 2.4 of this Guidance provides further instruction on aggregate reporting.

1.5 Does this Guidance contain any specific provision for a Federal agency to seek a waiver of existing legislative or administrative requirements?

No. If a Federal agency believes it is appropriate to seek a waiver of an existing requirement in order to facilitate effective implementation of the Recovery Act, the Federal agency shall pursue such waiver consistent with existing Federal processes (e.g., waivers for the Paperwork Reduction Act).

¹ To avoid using personal identification, sole proprietorships should register using a TIN or EIN.

1.6 Do the Federal agencies have flexibility to issue further program-specific guidance on recipient reporting?

This Guidance is not intended to impact requirements outside of Section 1512 of the Recovery Act. The Recovery Act may contain additional recipient reporting responsibilities that are specific to certain Federal programs. Recipients will have to comply with any reporting as outlined in the award agreement, which may result in submitting similar data under this Guidance to the Federal awarding agency. In these areas, recipients should rely on program-specific guidance and instructions issued by the relevant Federal agency.

Thus, it is anticipated that Federal agencies will, as appropriate, issue clarifying guidance to funding recipients. Additional guidance for Recovery funding recipients must be in accordance with OMB guidance. Federal agency-specific reporting guidance must not, without prior approval from OMB, require the use of any existing reporting systems to collect Section 1512 reporting that exclude or bypass the central reporting solution at www.FederalReporting.gov. See also Section 2.8.

1.7 What is the process for the public to provide input or comment on the provisions of this Guidance?

Feedback about this guidance document may be submitted to recovery@omb.eop.gov and should have the term “guidance feedback” in the title of the email. Further, the Recovery Accountability and Transparency Board (“Board”) expects to issue a separate Federal Register notice as part of the Paperwork Reduction Act (PRA) clearance process. This Federal Register notice follows the original PRA notice published April 1, 2009. The public will have an opportunity to comment through the updated PRA notice which will include the new data elements added to the Section 1512 reporting model as described in Section 2 of this Guidance.

1.8 What additional Recovery Act Implementation Guidance is available?

February 20, 2009	M-09-10 Initial Implementing Guidance for the American Recovery and Reinvestment Act of 2009 http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m0910.pdf
February 25, 2009	Bulletin No.09-02 Budget Execution of the American Recovery and Reinvestment Act of 2009 Appropriations http://www.whitehouse.gov/omb/assets/bulletins/b09-02.pdf
March 2009	OMB Circular No. A-133 Single Audit Compliance Supplement http://www.whitehouse.gov/omb/circulars_a133_compliance_09toc/
April 3, 2009	M-09-15 Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009 http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-15.pdf
May 11, 2009	M-09-18 Payments to State Grantees for Administrative Costs of Recovery Act Activities http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-18.pdf

June 30, 2009² Addendum to the Single Audit Compliance Supplement – American Recovery and Reinvestment Act
http://www.whitehouse.gov/omb/circular_a133_compliance_09toc/

1.9 Under what authority is this Guidance being issued?

This Guidance is issued under the authority of 31 U.S.C. 1111; Reorganization Plan No. 2 of 1970; Executive Order 11541; the Chief Financial Officers Act of 1990 (Pub. L. 101-576); the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282); and the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5).

² The Addendum is planned for publication on June 18, 2009, and will be available at the link provided.

Section 2 – Basic Principles and Requirements of Recovery Act Recipient Reporting

2.1 What recipient reporting is required in Section 1512 of the Recovery Act?

Section 1512 of the Recovery Act requires reports on the use of Recovery Act funding by recipients no later than the 10th day after the end of each calendar quarter (beginning the quarter ending September 30, 2009) and for the Federal agency providing those funds to make the reports publicly available no later than the 30th day after the end of that quarter. Aimed at providing transparency into the use of these funds, the recipient reports are required to include the following detailed information:

- Total amount of funds received; and of that, the amount spent on projects and activities;
- A list of those projects and activities funded by name to include³:
 - Description
 - Completion status
 - Estimates on jobs created or retained;
- Details on sub-awards⁴ and other payments.

Further information on the details of these reports is outlined in this Section, and the specific data elements to be reported on are contained in the data dictionary included in the document entitled, *Recipient Reporting Data Model*. This document will be published on OMB's website and www.Recovery.gov as supplemental materials to this Guidance.

2.2 Who is required to report under the Recovery Act?

The prime recipients of all programs identified in the list of Federal programs subject to Section 1512 of the Recovery Act in the supplemental materials to this Guidance are responsible for reporting the information required by Section 1512 of the Act and as provided in this Guidance. Prime recipients may choose to delegate certain reporting requirements to sub-recipients, as described in Section 2.3.

The **prime recipients** are non-Federal entities that receive Recovery Act funding as Federal awards in the form of grants, loans, or cooperative agreements directly from the Federal government. Federal agencies are not considered prime- or sub-recipients. The movement of Recovery Act funds between Federal agencies is not subject to Section 1512 reporting.

Payments made by prime recipients of Federal award dollars can be classified into two categories – (i) payments to sub-recipients and (ii) payments to vendors⁵. The prime

³ Section 1512(c)(3)(E) requires that State and local governments making infrastructure investments must provide information on the purpose, total costs, rationale for the infrastructure project and contact information of an individual.

⁴ Section 1512(c)(4) requires details on the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282).

⁵ Refer to OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations for additional information.

recipient is responsible for reporting data on payments made to both sub-recipients and vendors. However, as noted in Section 2.3, the reporting requirements for payments made to sub-recipients are not the same as the reporting requirements for payments made to vendors.

A **sub-recipient** is a non-Federal entity that expends Federal awards received from another entity to carry out a Federal program but does not include an individual who is a beneficiary of such a program.⁶

Specifically, sub-recipients are non-Federal entities that are awarded Recovery funding through a legal instrument from the prime recipient to support the performance of any portion of the substantive project or program for which the prime recipient received the Recovery funding. Additionally, the terms and conditions of the Federal award are carried forward to the sub-recipient. It is possible that a sub-recipient for one award may also be a prime recipient of another Federal award provided directly from the Federal Government.

Under this Guidance, sub-recipients that receive all or a portion of Recovery funding from a prime recipient may be delegated the responsibility by the prime recipient to report information into the central reporting solution at www.FederalReporting.gov. This Guidance does not provide for such a delegation to vendors. The policy regarding delegation of reporting by the prime recipient is further described in Section 2.3 of this Guidance.

A **vendor** is defined as a dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a Federal program.⁷ Prime recipients or sub-recipients may purchase goods or services needed to carry out the project or program from vendors. Vendors are not awarded funds by the same means as sub-recipients and are not subject to the terms and conditions of the Federal financial assistance award.

The characteristics of a vendor that make it distinct from a sub-recipient are summarized below. A vendor:

- (1) Provides the goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;
- (3) Operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the Federal program; and
- (5) Is not subject to compliance requirements of the Federal program.

⁶ Refer to OMB Circular A-133 for additional information and definitions. OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-profit Organizations, as codified in 2 CFR 215, provides further clarification on the definition of a sub-recipient.

⁷ Refer to OMB Circular A-133 for additional information and definitions.

In general, individuals receiving benefit payments or other types of Federal awards are excluded from reporting information under Section 1512 of the Act. In certain cases, individual loan recipients (as either prime- or sub-recipients) may be required to comply with Section 1512 reporting requirements — for example, if the recipient is a sole proprietorship. Individuals other than sole-proprietorships are not subject to Section 1512 reporting requirements, for example individuals receiving direct loans for purchase or refinancing of a single family home.

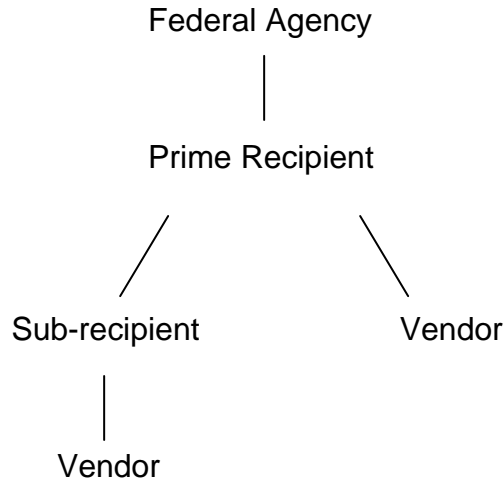
The relevant Federal agency managing a loan program with Recovery Act dollars must issue supplemental guidance detailing instances in which individual recipients of loan funds (including 100 percent guaranteed loans financed through the Federal Financing Bank) are required to meet the requirements of Section 1512 and this Guidance.

The Federal agency or prime recipients awarding funds to individuals will report the aggregated amounts disbursed to individuals. Section 2.4 of this Guidance provides further instruction on aggregate reporting for prime- or sub-recipients.

As mentioned in Section 1.3, a list of Federal programs subject to the Recovery Act recipient reporting requirements will be published on OMB's website and www.Recovery.gov as supplemental material to this Guidance. There are some Federal programs that received Recovery Act funds that do not appear on the list. These include mandatory programs, programs and accounts directly used in the operations of Federal agencies, programs contained in Division B of the Act, and other programs providing benefits to individuals, which are specifically not subject to the Section 1512 reporting requirements. The Federal agencies awarding funds for these programs will continue to report the amounts disbursed for these programs and this information will be available to the public on www.Recovery.gov.

2.3 What are the respective responsibilities of prime recipients and sub-recipients in meeting Section 1512 reporting requirements?

The accompanying illustration demonstrates the basic framework for prime recipient and sub-recipient reporting.



Prime Recipients:

The prime recipient is ultimately responsible for the reporting of all data required by Section 1512 of the Recovery Act and this Guidance, including the Federal Funding Accountability and Transparency Act (FFATA) data elements for the sub-recipients of the prime recipient required under 1512(c)(4). Prime recipients may delegate certain reporting requirements to sub-recipients, as described below. If the reporting is delegated to a sub-recipient, the delegation must be made in time for the sub-recipient to prepare for the reporting, including registering in the system. Further information on registration in the system is in Section 3.4 of this Guidance.

In addition, the prime recipient must report three additional data elements associated with any vendors receiving funds from the prime recipient for any payments greater than \$25,000. Specifically, the prime recipient must report the identity of the vendor by reporting the D-U-N-S number⁸, the amount of the payment, and a description of what was obtained in exchange for the payment. If the vendor does not have a D-U-N-S number, then the name and zip code of the vendor’s headquarters will be used for identification. Vendors, as defined in this guidance, are not required to obtain a D-U-N-S number.

Sub-Recipients of the Prime Recipient:

The sub-recipients of the prime recipient may be required by the prime recipient to report the FFATA data elements required under 1512(c)(4) for payments from the prime recipient to the sub-recipient. The reporting sub-recipients must also report one data element associated with any vendors receiving funds from that sub-recipient. Specifically, the sub-recipient must report, for any payments greater than \$25,000, the identity of the vendor by reporting the D-U-N-S number, if available, or otherwise the

⁸ The Dun & Bradstreet, or D-U-N-S, number is explained in further detail in Section 3.5 of this Guidance.

name and zip code of the vendor's headquarters. Vendors are not required to obtain a D-U-N-S number. If a sub-recipient is not delegated the responsibility to report FFATA data elements for sub-awards from its prime recipients or any sub-recipient vendor information, the prime and sub-recipients must develop a process by which this information will be reported in sufficient time to meet the reporting timeframes outlined in Section 3.2.

Required Data:

The specific data elements to be reported by prime recipients and sub-recipients are included in the data dictionary contained in the *Recipient Reporting Data Model*. This document will be published on OMB's website and www.Recovery.gov as supplemental materials to this Guidance. Below are the basic reporting requirements to be reported on prime recipients, recipient vendors, sub-recipients, and sub-recipient vendors. Administrative costs are excluded from the reporting requirements. The basic reporting requirements below may contain multiple data elements as defined in the data dictionary.

Prime Recipient

- 1. Federal Funding Agency Name**
- 2. Award identification**
- 3. Recipient D-U-N-S**
- 4. Parent D-U-N-S**
- 5. Recipient CCR information**
- 6. CFDA number, if applicable**
- 7. Recipient account number**
- 8. Project/grant period**
- 9. Award type, date, description, and amount**
- 10. Amount of Federal Recovery Act funds expended to projects/activities**
- 11. Activity code and description**
- 12. Project description and status**
- 13. Job creation narrative and number**
- 14. Infrastructure expenditures and rationale, if applicable**
- 15. Recipient primary place of performance**
- 16. Recipient area of benefit**
- 17. Recipient officer names and compensation (Top 5)**
- 18. Total number and amount of small sub-awards; less than \$25,000**

Recipient Vendor

- 1. D-U-N-S or Name and zip code of Headquarters (HQ)**
- 2. Expenditure amount**
- 3. Expenditure description**

Sub-Recipient (also referred to as FFATA Data Elements)

- 1. Sub-recipient D-U-N-S**
- 2. Sub-recipient CCR information**
- 3. Sub-recipient type**

4. Amount received by sub-recipient
5. Amount awarded to sub-recipient
6. Sub-award date
7. Sub-award period
8. Sub-recipient place of performance
9. Sub-recipient area of benefit
10. Sub-recipient officer names and compensation (Top 5)

Sub-Recipient Vendor

1. D-U-N-S or Name and zip code of HQ

Example:

A Federal agency awards a \$1 million Recovery Act funded research grant to University A. University A conducts a portion of the research itself and uses \$200,000 of the Recovery Act funds to purchase scientific equipment from XYZ Corporation. University A sub-awards the remaining \$500,000 of the Recovery Act funds to University B to carry out additional research consistent with the mission of the underlying Federal program. University B uses \$50,000 of these funds to support research activities by purchasing scientific equipment from the 123 Corporation.

In this example, University A is the prime recipient and must report on all data elements required by Section 1512 of the Recovery Act and this Guidance related to the award received from the Federal agency. This includes:

- Information regarding the award to University A (associated with the *prime recipient* listed above) and includes:
 - Entity ID for University A (D-U-N-S)
 - Total \$ received by University A
 - Total \$ for projects/activities funded by University A
 - List of projects undertaken by University A
 - Estimates on jobs created or retained by University A, University B, and applicable vendors
 - Infrastructure Investment details, if applicable to University A activities
 - The identity of the XYZ corporation, as well as the amount and description of the purchase of scientific equipment
- Information regarding the sub-award to University B, including the FFATA data elements required under Section 1512(c)(4) (associated with the *sub-recipient* listed above) and includes the identity of the 123 corporation (*sub-recipient vendor* above).

University A has the option of delegating the responsibility to report the FFATA data elements and the identity of the 123 Corporation (*sub-recipient vendor* data elements) to University B for entering into www.FederalReporting.gov. There are no additional reporting requirements for any sub-awards to sub-recipients made by University B.

2.4 What are the relevant requirements for prime recipients reporting on sub-recipient payments of less than \$25,000 or to individuals?

Section 1512(c)(4) and this Guidance allows for prime recipients to aggregate reporting on 1) sub-awards less than \$25,000; 2) sub-awards to individuals; and 3) payments to vendors less than \$25,000. Prime recipients should provide a separate aggregate dollar total for each of the three categories.

As previously mentioned in this Guidance, it is important to note that while individual recipients of Recovery funds, either directly from a Federal agency or from a prime recipient, are not required to report into the centralized reporting solution themselves⁹, the Federal agency or prime recipient awarding those funds will report by aggregating the amounts disbursed to individuals.

2.5 How will recipient reporting be submitted?

The information reported by all prime recipients (and those sub-recipients to which the prime recipient has delegated reporting responsibility) will be submitted through www.FederalReporting.gov, the online Web portal that will collect all Recovery Act recipient reports. Prime recipients must enter their data no later than the 10th day after each quarter beginning on October 10, 2009. All data contained in each quarterly recipient report will be cumulative in order to encompass the total amount of funds expended to date. This means that reports due on October 10, 2009, will include funding from February 17, 2009 (the date the Act was enacted by Congress) through September 30, 2009. Each subsequent quarterly report will also be cumulative. In other words, the report due January 10, 2010, will include the data reported through September 2009 and be updated to include data that accumulated through December 2009. For example, October's report may have contained a project that was 25% completed through the end of September. If the project is completed another 25% by the end of December, on January 10, the prime recipient will report that the project is 50% completed.

Prime recipients and delegated sub-recipients will begin reporting the quarter in which an award is made to it. If awarded funds have not been received and/or expended by the prime recipients or delegated sub-recipients within the quarter the award is made or subsequent quarters, a "\$0" should be reported for the respective data elements.

2.6 What is the expectation for the reporting period ending June 30, 2009?

Prime recipients are required to collect and maintain all relevant information responsive to the reporting requirements outlined in Section 1512 of the Recovery Act and this

⁹ Sole proprietorships however are subject to the reporting requirements. See Section 1.4 for additional information.

Guidance since the enactment of the Recovery Act, including activities for the quarter ending June 30, 2009. This information along with information on subsequent activities will be reported on a cumulative basis and submitted on October 10, 2009, the first reporting deadline for Section 1512 established in the Recovery Act. There is no global requirement for Section 1512 reporting on July 10, 2009, as previously indicated in M-09-15 issued on April 3, 2009.

July 2009, however, provides a critical opportunity for Federal agencies and recipients to work together to:

- Clarify logistics surrounding October 10th reporting and the deployment of the www.FederalReporting.gov solution;
- Troubleshoot potential data reporting challenges by fostering a common understanding of data definitions, reporting instructions, data quality responsibilities, etc.; and
- Share best practices for planning and implementing the Section 1512 reporting requirements.

Therefore, OMB and the Board are working together to foster a series of forums, meetings, and small-scale data collection pilots to take place during the month of July 2009. More information regarding these activities will be forthcoming and will be reported upon the www.Recovery.gov and www.FederalReporting.gov websites.

2.7 Will there be any waivers granted to any recipient if it is not able to meet the reporting deadlines?

No waivers will be granted for any recipients required to report under Section 1512 of the Recovery Act. If a recipient anticipates issues with meeting the reporting deadline, it should contact the appropriate Federal funding agency as soon as practicable to discuss how the reporting requirement will be met. Reporting extensions may be granted on a case-by-case basis by the appropriate Federal funding agency for extraordinary circumstances, such as natural disasters.

2.8 Can the Recovery Act recipient reporting elements be combined with existing Federal reporting requirements?

No. All information required by Section 1512 must be submitted through www.FederalReporting.gov. However, the recipient reporting solution does allow for recipients to enter data through custom software systems extracted in XML. See Section 3.6 for more information. This means that in some cases a recipient may have the option of leveraging an existing or separate data source (i.e., an existing system whereby the recipient is reporting information to a Federal agency) that contains information responsive to Section 1512 reporting requirements rather than re-keying information into the www.FederalReporting.gov solution. Federal agencies that seek to have recipients transfer information from existing systems into the www.FederalReporting.gov solution will be required to conduct a thorough analysis of the complexity of such arrangements as

well as the burden impact on the relevant recipient community before initiating such a requirement or option.

Federal agencies that determine that such a requirement is necessary will issue program-specific reporting guidance that is reviewed and approved by OMB before it can be effective.

2.9 How should recipients avoid “double counting” in their reports?

Prime recipients that decentralize reporting at the prime recipient level and/or delegate reporting responsibilities to sub-recipients must take special precautions to ensure coordinated reporting. The www.FederalReporting.gov recipient reporting solution will consider the last report submitted to be the final submission.

Decentralized reporting at the prime recipient level – In this scenario, the prime recipient does not establish a single point of entry for submitting required data to the www.FederalReporting.gov solution, but it allows for multiple parties at the prime recipient level to enter data. For example, a State may designate a variety of officials at different State departments or agencies to enter relevant information into www.FederalReporting.gov on the State’s behalf. In this case, it may be possible that two different State officials inadvertently create separate data records reporting on the same activity. The State recipient is responsible to design and implement a process that prevents this. While prime recipients may find it prudent to register multiple individuals to report in the event the principal designee is not available, it is incumbent on the reporting authority to ensure that report submission responsibility is clearly assigned.

Delegation by prime recipient to sub-recipient – As noted in Section 2.3 of this Guidance, the prime recipient has the option of delegating reporting responsibility to the sub-recipient for those data items that relate to sub-recipient activity. If this delegation is not widely and clearly communicated, as well as closely monitored, it may be possible for mistakes to occur whereas both the prime recipient and sub-recipient are reporting separately on the same activity. The prime recipient is responsible to design and implement a process that prevents this. At a minimum, the State must maintain an updated inventory of sub-recipient delegations and crosscheck all data records to make sure no reporting is occurring at the prime recipient level for instances where a delegation has occurred.

During the corrections phase of the data reporting process, in other words, after the initial submission on the 10th of the reporting month (See Section 3.2), additional risk for double counting emerges if multiple “users” attempt to correct the same record. Although it will not be possible in the www.FederalReporting.gov solution for a user to create an additional or new record as part of a correction exercise, it is still important that the prime recipient and sub-recipient establish a policy to clearly identify which user is authorized to make correction per award identification number.

2.10 What are the ramifications of non-compliance with the recipient reporting requirements?

Federal awards, like most legal contracts, are made with stipulations outlined in the award's term and conditions. Non-compliance with the reporting requirement as established under section 1512 of the Recovery Act is considered a violation of the award agreement because awards made with Recovery funds have a specific term requiring such compliance. The award term language is found in the Code of Federal Regulations (CFR) in 2 CFR Part 176.50. The Awarding Agency may use any customary remedial actions necessary to ensure compliance, including withholding funds, termination, or suspension and debarment, as appropriate.

2.11 How will these reports be made available to the public?

All reports submitted pursuant to Section 1512 of the Recovery Act will be made available on www.Recovery.gov and on individual Federal agency recovery websites. Federal agencies are encouraged to provide a link to www.Recovery.gov to satisfy the requirement of Federal agencies to post recipient information quarterly.

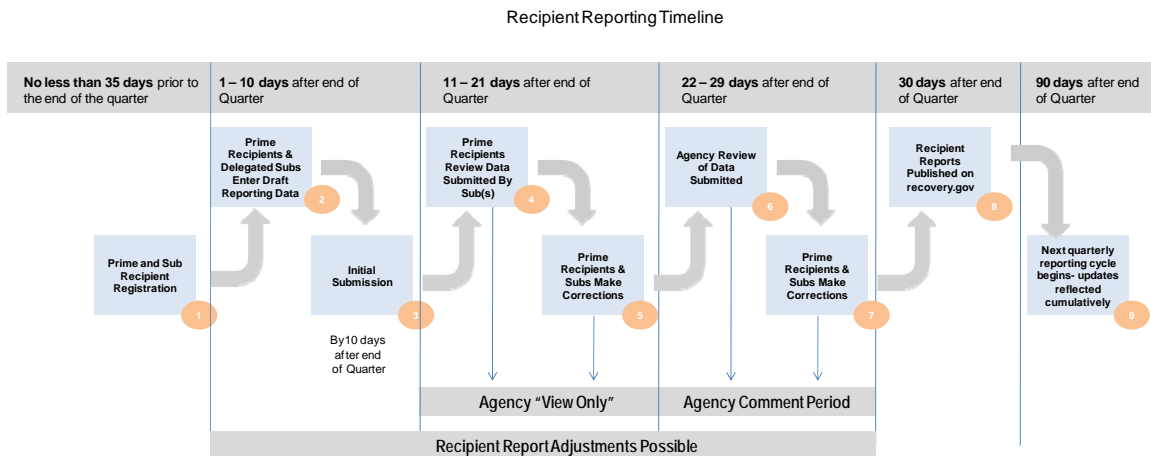
Section 3 – Recipient Reporting Process

3.1 What are the basic roles and responsibilities in the recipient reporting process?

The recipient reporting process is centralized by enabling all recipients (both prime- and those sub-recipients who have been delegated reporting responsibility) to use www.FederalReporting.gov to submit their quarterly reports. Agencies will review the submissions using the same website and underlying central data repository. This centralized approach will simplify filing requirements and will facilitate data review, analysis and transparency across the broad spectrum of Recovery Act programs and projects. The reported information will be made available to the public on www.Recovery.gov.

3.2 What are the key activities and timeframes required for quarterly reporting?

As previously mentioned in Section 2.5 of this Guidance, Section 1512 of the Recovery Act requires that prime recipients and delegated sub-recipients submit quarterly reports on their use of the funds not later than the 10th day following the end of each quarter beginning on October 10, 2009, and will be cumulative since enactment, or February 17, 2009. The statute further requires that reported information will be made available to the public not later than the 30th day after the end of each quarter. Summary statistics for reported data will appear on www.Recovery.gov prior to the end of the 30-day period, but they will be appropriately marked to indicate their review status. The timeframe of key reporting activities and their sequence and is shown below and described in the paragraphs that follow.



Registration. Reporting recipients and reviewing Federal agencies must be registered as authorized parties prior to submitting or reviewing recipient reports on www.FederalReporting.gov. The registration function will be available at www.FederalReporting.gov no later than August 26, 2009. Thereafter, prime recipients, delegated sub-recipients and Federal agencies can register on the website.

Prompt registration is encouraged. Since registration requires that prime recipients must be registered in the Central Contractor Registration (CCR) database and that all reporting entities have a D-U-N-S number (see Section 3.5 for more information on the CCR and D-U-N-S numbers), reporting recipients whom do not already meet these requirements should take immediate steps to prepare for registration. See Section 3.4 of this Guidance for further information detailing the registration process. Federal agencies will also need to register to perform their key activities within the system. Registration occurs only once, prior to the first reporting cycle. Prime recipients choosing to delegate reporting responsibilities should notify the affected sub-recipients early to allow them time to register.

During days 1-10 following the end of the quarter, recipients and delegated sub-recipients prepare and enter their reporting information. See Section 3.6 for a description of reporting methods. During this period, the data are considered to be in pre-submission status until explicitly submitted. Recipients using the Web-based form method will be allowed to store draft versions of their reports. Draft versions will only be available to the individual creating the report. Recipients using the spreadsheet or system extracted XML options may store draft versions outside the system on recipient-owned computers or workstations. The data will assume the status of “submitted” and conform with the Section 1512 reporting requirements only when the reporting entity explicitly submits it using the web site functions. Submitted reports will be viewable by the appropriate prime recipient and by the Awarding Agency¹⁰. Prime recipients and delegated sub-recipients that have not submitted their data reports by the end of the 10th day will be considered non-compliant with the recipient reporting requirements.

During days 11-21 following the end of the quarter, prime recipients ensure that complete and accurate reporting information is provided prior to the Federal agency comment period beginning on the 22nd day. Prime recipients will perform a data quality review as described in Section 4 of this Guidance. Prime recipients are responsible for verifying submitted information for all Recovery funds for which they are responsible, for notifying sub-recipients of reporting errors or omissions, and for ensuring any data corrections are completed in a timely manner. Prime recipients will be responsible for coordinating with sub-recipients on any identified data corrections. To facilitate corrections, the www.FederalReporting.gov solution will provide contact information for the individual who submitted the report including email contact information. After potential pilot testing of the solution, as mentioned in Section 2.6, it may be determined that the recipient reporting solution may not automatically generate email notifications for prime recipient to sub-recipient communications due to the potential volume resulting from computer-generated notifications.

¹⁰ Note that “Awarding Agency” is the data field consistent with the data dictionary within the supplemental materials to this Guidance.

Agencies may perform an initial review of the information in a “view-only” mode during this time period, but they will not be allowed to provide official feedback to prime recipients. During this period summary statistics for the initial data submissions will appear on www.Recovery.gov.

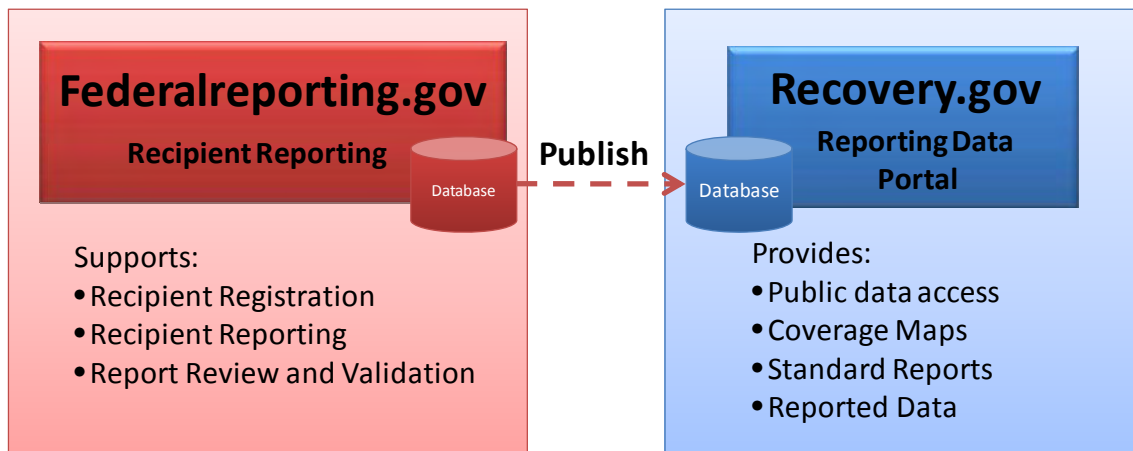
During days 22-29 following the end of the quarter, Federal agencies review and, if determined, comment on the submitted reporting information. Submitted reports will not be editable by prime recipients or delegated sub-recipients during this time period unless notified by the Federal agencies. The Federal agencies will perform a data quality review as described in Section 4 of this Guidance. The Federal agencies will notify the recipients and delegated sub-recipients of any data anomalies or questions through the www.FederalReporting.gov solution. This notification will unlock the notated report. Capability for Federal agency notation will be included as well. The original submitter must complete data corrections no later than the 29th day following the end of the quarter. Federal agency review will be indicated by the status indicators identified in Section 4.8 of this Guidance.

No later than 30 days following the end of the quarter, detailed recipient reports are made available to the public on the www.Recovery.gov website. Federal agencies are encouraged to link to www.Recovery.gov on their respective websites to fulfill their Section 1512 reporting requirements of facilitating the dissemination on recipient reports to the public. Federal agencies may also post recipient information on their respective websites after the data has been posted on the www.Recovery.gov website. Any data issues identified beyond the date of publication will be corrected or addressed in the next quarterly report.

3.3 What is *www.FederalReporting.gov* and what is its relationship to *www.Recovery.gov*?

The solution www.FederalReporting.gov is the web site that recipients will access in order to fulfill their reporting obligations as defined by Section 1512 of the Recovery Act and by this Guidance. The www.FederalReporting.gov solution will provide recipients and federal agencies with the ability to:

- Register for the site and manage their account(s)
- Submit reports
- View and comment on reports if the user represents a Federal agency or prime recipient
- Update or correct reports when appropriate



The www.FederalReporting.gov website works in conjunction with the www.Recovery.gov website to provide a comprehensive solution for recipient reporting and Recovery data transparency. Recipient reports are submitted to www.FederalReporting.gov and are ultimately published on www.Recovery.gov in accordance with the recurring quarterly timeframe described above in Section 3.2.

3.4 How does a recipient register for the *www.FederalReporting.gov* solution?

As previously mentioned in Section 3.2, prime recipients and delegated sub-recipients will need to be registered as authorized users of the www.FederalReporting.gov solution prior to submitting recipient reports into the website, and the registration function will be available on www.FederalReporting.gov no later than August 26, 2009. **Prompt registration is encouraged.** Award recipients should register within 10 business days of receiving an award once the registration function is available. The process for registering with www.FederalReporting.gov will be as follows:

- **Go to the website:** The user will launch their commercial Web browser software application (e.g., Internet Explorer, or Firefox) and will navigate to the website www.FederalReporting.gov.
- **Provide registration information:** The user will select the Registration link on the main page and fill-in the required registration information. All users will be asked for a preferred User Identifier (User ID), a password, an email address, and a primary phone number. Depending on the user's role in the system, some additional information may also be required.
 - Users that are representatives of State agencies will provide the Dun and Bradstreet (D&B) D-U-N-S number for their State agency. If the State agency uses more than one D-U-N-S number, the number of the State agency organization that is administering the award should be used.
 - Department of Defense (DoD) users will enter their organization's Department of Defense Activity Address Code (DODAAC).
 - Users that are representatives of prime recipients or sub-recipients will provide their organization's D-U-N-S number. These numbers will be used to lookup the user's organization in the CCR or D&B databases to populate additional information into the reporting submission.

- Prime and sub-recipients will need to register. If the Prime uses more than one D-U-N-S number, the number of the organization that received the award should be used.
 - Please note that registering with CCR and/or D&B requires additional processing time for the two organizations to validate user organization registration information. Combined CCR and D&B registration time can range from a single to several days depending on the particular organization and type of registration(s). If recipients need to register with CCR and/or D&B prior to using the www.FederalReporting.gov solution, the **recipients should allow sufficient time** to complete the registrations in order to still meet Recovery Act reporting deadlines. **Advance registration is strongly recommended.**
- **Receive confirmation:** When the website registration has been successfully concluded, the www.FederalReporting.gov solution will send a confirmation of registration to the user by email.

Account Maintenance: The www.FederalReporting.gov website will also support management of a user's account and user data such as contact information. For example, the user can update an email address or the user account can be disabled. Help desk support will be available for website functions as described in Section 3.10.

3.5 What are CCR and Dun and Bradstreet, and how does a recipient register with them?

What is CCR? The Central Contractor Registration (CCR) is the primary contractor database for the US Federal Government. CCR collects, validates, stores and disseminates data in support of agency acquisition missions. (Since October 1, 2003, it is Federally mandated that any organization wishing to do business with the Federal government under a Federal Acquisition Regulation (FAR)-based contract must be registered in CCR before being awarded a contract.) Because CCR is a Federally mandated and funded program, there is no cost to registrants for registering in CCR. Further detailed information on CCR is available at this URL: <http://www.ccr.gov/FAQ.aspx>.

What is a CCR MPIN? A Marketing Partner Identification Number (MPIN) is a password created by a user in CCR that allows the user to access other government systems such as PPIRS (Past Performance Information Retrieval System). The MPIN is a nine-character alphanumeric code; and must include at least one alpha and one numeric character, with no spaces. The MPIN is required in recipient reporting but not as part of the registration process.

What is a D-U-N-S number and who provides it? Dun & Bradstreet (D&B) maintains a business database containing information on more than 100 million businesses worldwide. D&B provides a D-U-N-S number, a unique 9-digit identification number, for each physical location of a business organization. D-U-N-S Number assignment is free for all businesses required to register with the U.S. Federal government for contracts or grants. The D-U-N-S number is used by the www.FederalReporting.gov solution to

identify business organizations. Further detailed information on D&B is available at this URL: <http://fedgov.dnb.com/webform>.

3.6 How does a recipient submit reports into www.FederalReporting.gov?

There are three basic methods to submit reports into the www.FederalReporting.gov solution. The reporting organization can choose the most convenient method for reporting among the following:

1) Online data entry in a Web browser: The website provides a straightforward data entry form, available via the user's Web browser, for report data entry.

Technical requirements: A commercial Web browser such as Microsoft's Internet Explorer, or Firefox is required for this option.

2) Excel spreadsheet: The website will make a Microsoft Excel spreadsheet available for report submission. The user can download this spreadsheet, open the spreadsheet in Microsoft's Excel spreadsheet program and fill it in. The spreadsheet can then be uploaded to the website with the user's browser at www.FederalReporting.gov. The spreadsheet is "locked" to restrict modification of the spreadsheet and allow data entry only in the required fields. **Note: Recipients must not modify the structure of the spreadsheet or risk non-compliance due to an invalid submission.**

Technical requirements: Microsoft Office's Excel (Version 2003 or newer) is required to open and edit the spreadsheet file. A Web browser such as Microsoft's Internet Explorer, or Firefox is required to access the website.

3) Custom software system extract in XML: Organizations with sufficient technical experience may choose to submit a properly formatted Extensible Markup Language (XML) file for their report submission. The supplemental materials to this Guidance contain the data dictionary and XML schema needed for formatting and structuring the XML system extracts. Additional detail about field constraints (such as the elements used in drop down menus on the Web form) will be added to those materials and posted to www.FederalReporting.gov. A service for validating the structure of XML extracts will be available on www.FederalReporting.gov prior to the submission period to ensure extracts are properly formatted. Recipients are strongly encouraged to test their report structures prior to the reporting period.

Technical requirements: A Web browser such as Microsoft's Internet Explorer, or Firefox is required to access the website. Organizations must match a specific XML schema format. The schema for the data submission will be provided on the www.FederalReporting.gov website.

Regardless of the approach taken, there is a common underlying data dictionary between all three approaches which will support common unified publishing to www.Recovery.gov in accordance with the quarterly timeline discussed in Section 3.2. See document entitled, *Recipient Reporting Data Model*. This document will be published on OMB's website and www.Recovery.gov as supplemental materials to this Guidance.

The process for filling in the reporting information **online (method 1)** is as follows:

- **Go to the website:** The user will launch their commercial Web browser software application (e.g., Internet Explorer or Firefox) and will navigate to the site www.FederalReporting.gov.
- **Login:** The system will prompt the user for a valid userid and password combination to log-in.
- **Select Recipient Type:** The user will select the appropriate recipient type (e.g., Prime Recipient or Sub-Recipient).
- **Select Reporting Type:** The user will select the appropriate reporting submission (e.g., grant, loan or other form of assistance).
- **Fill in the Online Form:** The user will fill in the online form according to the screen instructions. Some basic information is mandatory such as D-U-N-S Number, Grant or Loan number. This data should be gathered in advance of using the online system
- **Confirmation:** Once the user transmits data, the reporting solution will acknowledge receipt and will check for validity of all information. Due to the anticipated volume of reports, the validation may be delayed up to 24 hours. The validation will ensure that the system can accept the report.
- **Submission:** The Web form will require that the user explicitly “submit” the entered information when completed. Recipients who have not completed the submission step by the end of the 10th day after the end of the reporting quarter will be considered non-compliant with reporting requirements. The system will acknowledge the completion of the submission step if it is successful.

The process for *downloading* the **spreadsheet (method 2)** is as follows:

- **Go to the website:** The user will launch their commercial Web browser software application (e.g., Internet Explorer or Firefox) and will navigate to the site www.FederalReporting.gov.
- **Login:** The system will prompt the user for a valid userid and password combination to log in.
- **Select Recipient Type:** The user will select the appropriate recipient type (i.e., Prime Recipient or Sub-Recipient).
- **Select Reporting Type:** The user will select the appropriate type of reporting submission (e.g., grant, loan or other form of assistance).
- **Select the File:** The user will select the spreadsheet and download the template.

Once the spreadsheet has been updated, the process for *uploading* the **spreadsheet** is as follows

- **Go to the website:** The user will launch their commercial Web browser software application (e.g., Internet Explorer or Firefox) and will navigate to the site www.FederalReporting.gov.
- **Login:** The system will prompt the user for a valid userid and password combination to log in.

- **Submit Report:** The user will select the report submission choice and select the upload spreadsheet option. The user will follow a standard select file process.
- **Confirmation:** The system will display a confirmation of report acceptance. The system will then validate the structure of the data for conformance to the data standards. This process may take as long as 24 hours to process based on system load, however submitters are considered compliant with reporting requirements if they submit data valid file within the required timeframe.

The process for *downloading* the **XML Schema (method 3)** is as follows:

- **Go to the website:** The user will launch their commercial Web browser software application (e.g., Internet Explorer or Firefox) and will navigate go to the site www.FederalReporting.gov.
- **Login:** The system will prompt for a valid userid and password combination to log in.
- **Select Recipient Type:** The user will select the appropriate recipient type (i.e., Prime Recipient or Sub-Recipient).
- **Select Reporting Type:** The user will select the appropriate type of reporting submission (e.g., grant, loan or other form of assistance).
- **Select the File:** The user will select the XML and download the schema.

The process for *uploading* the **XML extract file** is as follows:

- **Go to the website:** The user will launch their commercial Web browser software application (e.g., Internet Explorer or Firefox) and will navigate to the site www.FederalReporting.gov.
- **Login:** The system will prompt for a valid userid and password combination to log in.
- **Submit Report:** The user will select the report submission choice and select the upload XML schema option. The user will follow a standard select file process.
- **Confirmation:** The system will display a confirmation of report acceptance. The system will validate the structure of the data for conformance to the data standards. This process may take as long as 24 hours to process based on system load.

Special reporting Requirement for Prime Recipients

Prime recipients will be required to enter their MPIN from CCR at the time of report submission. This information is required to identify the submitter as a prime recipient. Prime recipients will not be able to view sub-recipient reports until the prime recipient report is submitted using a valid MPIN for the D-U-N-S associated with the award.

3.7 What if the recipient does not have Web access?

Only electronic submission across the public Internet, by the three methods defined in Section 3.6 is supported at this time. Reporting entities that do not have access to the Internet should contact the awarding agency for guidance.

3.8 How does a Federal agency or recipient review reporting submissions?

The www.FederalReporting.gov solution supports the review of recipient submissions by Federal agencies and prime recipients. The solution will enable multiple reviewers for each agency or prime recipient, although there will be only a single reviewer allowed for each individual report. The process for reviewing reporting submissions is as follows:

- **Go to the website:** The user will launch their commercial Web browser software application (e.g., Internet Explorer or Firefox) and will navigate go to the site www.FederalReporting.gov.
- **Login:** The system will prompt for a password and the user will login.
- **Select Report:** The user will select a report to review if action is required by the report submitter, and the reviewer is allowed to make comments in accordance with the quarterly timeline in Section 3.2. There will be a mechanism for extracting recipient reports for Federal agency review and a capability within the system to notate reports.

3.9 How does a recipient make a report correction to a submission?

A recipient may decide, or may be asked by a subsequent reviewer, to make a correction to a submission. The entity submitting the report is the data owner of the submission and is therefore responsible for applying any corrections. The recipient can update the submission with the following process:

- **Go to the website:** The user will launch their commercial Web browser software application (e.g., Internet Explorer or Firefox) and will navigate go to the site www.FederalReporting.gov.
- **Login:** The system will prompt for a password and the user will login.
- **Select an Existing Report:** The user will select a report to be re-submitted.
- **Data Entry:** If the report was submitted in an online form (method 1), the user can then edit the fields in the online form and save them again.
- **Select the Replacement File:** If the report submission is file-based (methods 2 or 3), the user will select the updated XML file or spreadsheet file to be uploaded and will submit the file according to screen instructions.
- **Confirmation:** The system will display a confirmation of report acceptance. The system will validate the structure of the data for conformance to the data standards. This process may take as long as 24 hours to process based on system load.

3.10 How does a recipient access the *www.FederalReporting.gov* solution helpdesk?

The registration and reporting processes will be supported by a helpdesk. The helpdesk contact information will be available on the www.FederalReporting.gov website at the start of registration and will provide help with user functions related to the registration

and reporting processes. Questions regarding specific Recovery awards or programs should be referred to the Federal Awarding Agency.

Federal Agency Review Process

3.11 How will agencies obtain recipient data elements?

Recovery recipient reporting data will be provided for download by Federal agency and program officials from a central data repository. These files may be used to automate data quality reviews or create agency/program specific reports. Details regarding format and download options are being developed.

3.12 What data elements will Federal agencies use to review recipient reports?

Federal agencies should develop internal policies and procedures for reviewing reported data. Federal agencies may extract the data elements below to validate recipient reports for compliance, accuracy, and consistency with Federal award data. Automated checks for accuracy may be conducted by comparing recipient data to the award data stored in agency financial systems of record. For example, recipient data may be used to ensure that all Federal agency recipients have submitted reports and to verify that all prime-recipient D-U-N-S reported have actually received Recovery funding. Also, amounts may be validated for consistency to ensure the individual or aggregated values do not exceed the agency amounts awarded or disbursed. Items the Federal agency might consider:

- Award Number
- Funding Agency Name
- D-U-N-S Number
- EIN
- CFDA
- Recipient Organization
- Project/Grant Period
- Total Cost of Infrastructure Investments
- Amount of award Current Value
- Amount of Award or Sub Award Ultimate Value (anticipated total amount of cash)
- Total amount of Sub awards less than \$25,000
- Total Jobs Created/Retained

3.13 How will the other data elements be used by Federal agencies?

Federal agencies may review additional data elements highlighted below to determine if a prime recipient's report is realistic or will produce expected results. This type of review is more subjective and may need to be conducted manually. For example, the Federal agency may elect to compare data elements for consistency in reporting by comparing the

percent of money disbursed with the percent complete or comparing the project/activity code with the project's narrative description. The agency may choose to review fields for reasonableness, such as the estimated number of jobs created/retained; or choose to measure the value of infrastructure costs with the rationale for the infrastructure investment.

- Completion Status
- Estimate of number of jobs created
- Estimate of number of jobs retained
- Purpose of infrastructure investment
- Rationale for funding the infrastructure investment with ARRA funds
- NEPA Compliance Status
- NEPA Supporting Information

3.14 Can agencies use recipient reporting to make decisions impacting the recipient's awards?

Although the intent of the recipient reporting solution is primarily reporting as opposed to management, Federal agencies may use recipient reports to help assess compliance with the terms and conditions of the individual award agreements, further assess risks and to determine when to release the remaining funds. For example, for certain grant programs a Federal agency may have partially awarded each State's allocation with the intent to award the remaining available Recovery funds after each State addresses how they will meet the reporting requirements in the Recovery Act, including the recipient reports required by Section 1512(c). In this case, the agency may publish specific guidance that only affects its grants, in accordance with these reporting requirements, to specify what information recipients must provide before receiving the balance of its Recovery grants.

Section 4 – Data Quality Requirements

4.1 What is the scope of required data quality reviews?

Data quality (i.e., accuracy, completeness and timely reporting of information) reviews required by this Guidance are intended to emphasize the avoidance of two key data problems -- material omissions and significant reporting errors. Material omissions are defined as instances where required data is not reported or reported information is not otherwise responsive to the data requests resulting in significant risk that the public is not fully informed as to the status of a Recovery Act project or activity. An example of a material omission would be a recipient, or delegated sub-recipient, who fails to report the current percentage of completion for a project and/or an activity that has been funded by the Recovery Act. Instances in which a prime recipient or sub-recipient fails to report entirely would be considered a material omission for the purposes of this Guidance.

In general, material omissions should be minimized by the www.FederalReporting.gov solution, which will require fields to be completed for successful transmission. However, a material omission may still occur to the extent submitted data is not responsive to a specific data request. For example, a recipient required to report a description of a purchase made from a vendor may not provide sufficient detail in the description for the reader to derive the nature of the purchase.

Significant reporting errors are defined as those instances where required data is not reported accurately and such erroneous reporting results in significant risk that the public will be misled or confused by the recipient report in question. An example of this would be a recipient, or sub-recipient, who reports expenditures in excess of the amount awarded by the Federal funding agency, excluding funding resulting from match requirements. Significant reporting errors may be intentional or accidental. Actions should be taken to reduce either cause.

Federal agencies should coordinate how to apply the definitions of material omission and significant reporting error in given program areas or across programs in a given agency. This will ensure consistency in the manner in which data quality reviews are carried out.

4.2 Who is responsible for the quality of data submitted under Section 1512 of the Recovery Act?

Data quality is an important responsibility of key stakeholders identified in the Recovery Act. Prime recipients, as owners of the data submitted, have the principal responsibility for the quality of the information submitted. Sub-recipients delegated to report on behalf of prime recipients share in this responsibility. Agencies funding Recovery Act projects and activities provide a layer of oversight that augments recipient data quality. Oversight authorities including the OMB, the Recovery Board, and Federal agency Inspectors General also have roles to play in data quality. The general public and non-governmental

entities interested in “good government” can help with data quality, as well, by highlighting problems for correction.¹¹

- Prime Recipient
 - Owns recipient data and sub-recipient data
 - Initiates appropriate data collection and reporting procedures to ensure that Section 1512 reporting requirements are met in a timely and effective manner
 - Implements internal control measures as appropriate to ensure accurate and complete information
 - Performs data quality reviews for material omissions and/or significant reporting errors, making appropriate and timely corrections to prime recipient data and working with the designated sub-recipient to address any data quality issues

- Sub-recipient
 - Owns sub-recipient data
 - Initiates appropriate data collection and reporting procedures to ensure that Section 1512 reporting requirements are met in a timely and effective manner
 - Implements internal control measures as appropriate to ensure accurate and complete information
 - Reviews sub-recipient information for material omissions and/or significant reporting errors, and makes appropriate and timely corrections

- Federal Agency
 - Provides advice/programmatic assistance
 - Performs limited data quality reviews intended to identify material omissions and/or significant reporting errors, and notifies the recipients of the need to make appropriate and time changes

- Oversight Authorities (such as OMB, Recovery Board, and agency Inspectors General)
 - Establish data quality expectations
 - Establish data and technical standards to promote consistency
 - Coordinate any centralized reviews of data quality

4.3 Does this Guidance mandate a specific methodology for conducting data quality reviews?

No. However, the relevant party conducting a data quality review required by this Guidance (i.e., recipients, sub-recipients, Federal agencies) must use its discretion in determining the optimal method for detecting and correcting material omissions or

¹¹ Mechanisms for the public to provide feedback on the data will be available on Recovery.gov as well as individual agency Recovery websites.

significant reporting errors. At a minimum, Federal agency, recipients, and sub-recipients should establish internal controls to ensure data quality, completeness, accuracy and timely reporting of all amounts funded by the Recovery Act. Possible approaches to this include;

- Establishing control totals (e.g., total number of projects subject to reporting, total dollars allocated to projects) and verify that reported information matches the established control totals;
- Creating an estimated distribution of expected data along a “normal” distribution curve and identify outliers;
- Establishing a data review protocol or automated process that identifies incongruous results (e.g., total amount spent on a project or activity is equal to or greater than the previous reporting); and
- Establishing procedures and/cross-validation of data to identify and/or eliminate potential “double counting” due to delegation of reporting responsibility to sub-recipient (see Section 2.9).

4.4 What is the process and timing of data quality review efforts?

- Recipients and sub-recipients reporting Section 1512 data into the www.FederalReporting.gov solution must initiate a review of the data both prior to, and following, the formal submission of data. The post-submission review period runs from the 11th day of the reporting month to the 21st day of the reporting month for prime recipients. During this post-submission review period, significant reporting errors or material omissions that are discovered can be corrected using the www.FederalReporting.gov solution. Specific instructions for submitting new or corrected data will be provided on the www.FederalReporting.gov website. The prime recipients are responsible for reviewing data submitted by sub-recipients. Where a recipient identifies a data quality issue with respect to information submitted by the sub-recipient, the recipient is required to alert the relevant sub-recipient of the nature of the problem identified by the recipient. All corrections by recipients and sub-recipients during this phase of the review must be transmitted by the 21st day of the reporting month.
- Federal agencies will initiate a review of the data after formal submission by the recipients and sub-recipients. During the recipient and sub-recipient review period (i.e., day 11 to day 21 of the reporting month), Federal agencies will have access to review the data and should begin initial reviews at this time. However, the official agency review process begins on the 22nd day of the reporting month and runs until the 29th day of the reporting month. During this period, the Federal agency will be responsible for reviewing data submitted by recipients and sub-recipients. Where an agency identifies a data quality issue with respect to information submitted by the recipient or sub-recipient, the Federal agency is required to alert the relevant recipient of the nature of the problem identified by

the Federal agency. All corrections by recipients and sub-recipients during this phase of the review must be transmitted by the 29th day of the reporting month.

- After the 29th day, no further corrections can be made. Corrections identified that for whatever reason cannot be made by the 29th of the month will be incorporated into the following quarter's data report of the recipient or delegated sub-recipient.

Additional information on the timing of data quality reviews can be found in Section 3.2 of this Guidance.

4.5 Are recipients required to certify or approve sub-recipient data into the *www.FederalReporting.gov* solution prior to the end of the recipient post-submission review period (i.e., day 11 to day 21 of the reporting month)?

No. The recipient is required to run a data quality review process consistent with Section 3 and Section 4 of this Guidance. The recipient is further required to make necessary corrections to recipient data and to further alert sub-recipients of identified significant reporting errors or material omissions. These actions are expected to occur prior to the 22nd day of the reporting month. The agency review process will begin on the 22nd day of the reporting month regardless of the actions of the recipient and sub-recipient. Please see Section 3.2 for further guidance.

No separate statement of assurance or certification will be required of prime recipients with respect to the quality of sub-recipient data.

4.6 What are the implications or consequences of uncorrected data quality problems by recipients and sub-recipients?

As referenced throughout this Guidance, recipients and delegated sub-recipients are the owners of the data submitted. As further promulgated in OMB M-09-15, timely, complete, and effective reporting under Section 1512 of the Recovery is a term and condition of receiving Recovery Act funding.

As a result, Federal agencies will be required to continuously evaluate recipient and sub-recipient efforts to meet Section 1512 requirements as well as the requirements of OMB implementing guidance and any relevant Federal program regulations. In particular, Federal agencies will work to identify and remediate instances in which:

- Recipients that demonstrate systemic or chronic reporting problems and/or otherwise fail to correct such problems as identified by the Federal agency;
- Sub-recipients that demonstrate systemic or chronic reporting problems and/or otherwise fail to correct such problems as identified by the recipient or Federal agency; and
- Recipients that demonstrate systemic or chronic deficiencies in meeting its responsibilities to review and identify data quality problems of sub-recipients consistent with the requirements of this Guidance.

On a case-by-case basis, such findings of a Federal agency can result in termination of Federal funding and/or initiation of suspension and debarment proceedings of either the recipient or sub-recipient, or both. Further, in some cases, intentional reporting of false information can result in civil and/or criminal penalties.

See also Section 2.10 of this Guidance.

4.7 Are Federal agencies required to certify or approve data for publication on www.Recovery.gov or agency websites?

No. The Federal agency is required to run a data quality review process consistent with Sections 3 and 4 of this Guidance. These actions are expected to occur prior to the 30th day of the reporting month. The information will be posted according to the Recovery Act and this Guidance no later than the 30th day after the end of the quarter regardless of the outcome of Federal agency data quality review efforts.

4.8 How will issues identified under the data quality reviews conducted pursuant to this Guidance be communicated to the public?

This Guidance seeks to strike an appropriate balance between providing the public with transparency into the information as reported by prime recipients and sub-recipients and the longstanding requirements of the Government to ensure the quality of data disseminated to the public. Federal agencies will be required to perform data quality checks similar to those described in Section 4.3.¹² In addition, Federal agencies will be required to classify submitted data (which may be organized by award or program), using the following three categories:

- Not Reviewed by agency;
- Reviewed by agency, no material omissions or significant reporting errors identified; and
- Reviewed by agency, material omissions or significant reporting errors identified.

Within the third category, to the extent the agency identifies any data that it has reason to believe is false or misleading that has not been corrected by the recipient or sub-recipient, the Federal agency must provide such findings to recoveryupdates@gsa.gov so that the Recovery Board can make such instances public on the website www.Recovery.gov.

The system will automatically default to the first category of “Not reviewed by agency” if an agency has not chosen one of the above three categories before the 29th day of the process.

¹² Consistent with Section 3.3, it may not be necessary for a Federal agency to separately review each submitted data record by a prime or sub-recipients. At the discretion of the Federal agency, the review may encompass only aggregate information in an effort to identify outliers within a unique record. As a result, a Federal agency may, depending on the review approach or methodology, classify data as being “reviewed by agency” even if a separate and unique review of each submitted record has not occurred.

4.9 Are Federal agencies required to review prime recipient processes and procedures for collecting, reviewing, and reporting Section 1512 information?

Yes. Consistent with Federal agency standard oversight responsibilities for financial assistance programs, Federal agencies will need to review the processes and procedures of prime recipients.

Section 5 – Reporting on Jobs Creation Estimates by Recipients

5.1 What reporting is required by the Recovery Act for estimates of jobs created or retained?

There are two distinct types of jobs reports that the Recovery Act requires.

First, the Council of Economic Advisers, in consultation with OMB and Treasury, are required by the Recovery Act to submit quarterly reports to Congress that detail the impact of programs funded through Recovery funds on employment, economic growth, and other key economic indicators. OMB and agencies will continue to partner with CEA on these quarterly reports and other questions regarding macro-level jobs estimates. Agencies with questions about reporting macro-level or indirect jobs estimates should refer to CEA's guidance on reporting jobs: <http://www.whitehouse.gov/administration/eop/cea/Estimate-of-Job-Creation/>

The second type of job estimates should be submitted by recipients of Recovery funds for each project or activity, as required by Section 1512(c)3(D) of the Recovery Act. This section addresses the jobs estimates required to be submitted by recipients.

5.2 What information are recipients covered by Section 1512 required to report?

Recipient reporting requirements for grants, cooperative agreements, and loans were published in two separate Federal Register notices. The first notice contained proposed data elements and instructions on reporting jobs created and retained under grants, cooperative agreements, and loans (74 FR 14824). The comments on this first notice were reviewed, though an alternate data set had to be cleared on an emergency basis to accommodate the more immediate need for reporting requirements at the recipient and federal levels. The second notice contained interim final guidance and a standard award term (2 CFR 176.50) with a request for public comment. The comment period for the second notice ends on June 22, 2009 (74 FR 18449).

While this guidance does not apply to contracts, recipient reporting requirements and a standard award clause for federally awarded contracts were published in an interim final rule with request for public comment (FAR 52.204-11). The public comment period on the contract rule has now closed, and the final rule will be published in the near future.

The final detailed reporting requirements for recipients of grants, cooperative agreements, loans and contracts along with data entry instructions will be posted on www.FederalReporting.gov as explained in federal agency award terms/clauses.

The points below provide an overview of the key requirements and supplemental guidance on reporting the employment impact of the Recovery Act funded work.

- Prime recipients are required to report an estimate of jobs directly created or retained by project and activity or contract. Recipients will be required to report an aggregate number for the cumulative jobs created or retained for the quarter in a separate numeric field. Recipients will also be asked to provide a narrative description of the employment

impact. While no change is being made to the actual information required to be reported, the clarification that this information will be collected in two separate fields – one numeric and a text field for the narrative – is an update from previous Recovery Act guidance.

- A job created is a new position created and filled or an existing unfilled position that is filled as a result of the Recovery Act; a job retained is an existing position that would not have been continued to be filled were it not for Recovery Act funding. A job cannot be counted as both created and retained. Also, only compensated employment in the United States or outlying areas should be counted. See 74 FR 14824 for definitions.
- The estimate of the number of jobs required by the Recovery Act should be expressed as “full-time equivalents” (FTE), which is calculated as total hours worked in jobs created or retained divided by the number of hours in a full-time schedule, as defined by the recipient (see Section 5.3 for more information). The FTE estimates must be reported cumulatively each calendar quarter.
- Recipients of grants, cooperative agreements, and loans must include in the aggregate number and their narrative description an estimate of jobs created and retained on projects and activities managed by their funding recipients. This clarification is a change from previous guidance, based on comments received on the Federal Register notice and stakeholder input. For additional guidance on providing these estimates see Section 5.4.
- Recipients should not attempt to report on the employment impact on materials suppliers and central service providers (so-called “indirect” jobs) or on the local community (“induced” jobs). Employees who are not directly charged to Recovery Act supported projects/activities, who, nonetheless, provide critical indirect support, e.g., clerical/administrative staff preparing reports, institutional review board staff members, departmental administrators, are NOT counted as jobs created/retained. Recipients report only direct jobs because they may not have sufficient insight or consistent methodologies for reporting indirect or induced jobs. The Council of Economic Advisers is developing a macro-economic methodology to account for the overall employment impact of the Recovery Act.
- The narrative should include a brief description of the types of jobs created or retained. This description may rely on job titles, broader labor categories, or the recipient’s existing practice for describing jobs as long as the terms used are widely understood and describe the general nature of the work.
- Recipients will report for all projects and activities or federally awarded contracts regardless of whether they are funded in whole or in part by the Recovery Act, but should report only on the jobs and funding attributable to an award under the Recovery Act.

Please note that certain recipients, such as those funded by Department of Transportation, have job reporting requirements in the Act that go beyond Section 1512. Recipients must follow this

guidance with respect to the reporting requirements under Section 1512, and must also comply with program and agency-specific requirements.

5.3 What methodology should recipients use when calculating the number of jobs created or retained?

The requirement for reporting jobs is based on a simple calculation used to avoid overstating the number of other than full-time, permanent jobs. This calculation converts part-time or temporary jobs into “full-time equivalent” (FTE) jobs. In order to perform the calculation, a recipient will need the total number of hours worked that are funded by the Recovery Act. The recipient will also need the number of hours in a full-time schedule for a quarter. The formula for reporting can be represented as:

$$\frac{\text{Cumulative Recovery Act Funded Hours Worked (Qtr 1...n)}}{\text{Cumulative Hours in a Full-time Schedule (Qtr 1...n)}} = \text{FTE}$$

Example:

Assume that a recipient is preparing its first quarterly report and that the recipient’s Recovery Act funded work required two full-time employees and one part-time employee working half days for the quarter. Also assume that the recipient’s full-time schedule for the quarter is 520 hours (2080 hours in a work-year divided by 4). To convert hours worked to number of FTE for the first quarterly report, aggregate all hours worked and divide by the number of hours in a full-time schedule for the quarter. In this example, full-time hours worked (520 hrs x 2 employees = 1040 hrs) + part-time hours worked (260 hrs) ÷ number of hours in a full-time schedule for the quarter (520 hrs) = 2.5 FTE reported in the first quarterly report. Because jobs are reported cumulatively each quarter, this same number of FTE would be reported for the second quarter if the same number of employees worked the same number of hours.

Reporting is cumulative across the project lifecycle, and will not reset at the beginning of each calendar or fiscal year. In the example above, the 2.5 FTE reported in the first quarterly report will stay the same through the project lifecycle, assuming the same number of employees work the same number of hours. The table below shows the FTE calculations through the lifecycle of an 18 month project that uses full-time, part-time, and temporary workers.

Period	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr	4th qtr
Full-Time Schedule	520	1040	1560	2080	2600	3120
Full Time Employee 1	520	1040	1560	2080	2600	3120
Full Time Employee 2	520	1040	1560	2080	2600	3120
Part Time Employee (half time)	260	520	780	1040	1300	1560
Temporary Employee (650 hrs.)	0	0	130	390	650	650
Total Hours Worked	1300	2600	4030	5590	7150	8450
Quarterly FTE	2.50	2.50	2.58	2.69	2.75	2.71

An alternative calculation based on the allocable and allowable portion of activities expressed as a percentage of the total is acceptable for recipients of assistance agreements that must comply with OMB Circular A-21, Cost Principles for Educational Institutions. OMB Circular A-21 recognizes that practices vary among educational institutions as to the activity constituting a full workload. Compensation charged to sponsored projects must conform to the institution's established policies and reasonably reflect the activity for which the employee is compensated. Charges to sponsored projects may be expressed as a percentage of their total activities. Therefore, for purposes of ARRA reporting of jobs created or retained, colleges and university may count, proportionately, the percentage of effort directly charged to ARRA awards as an FTE equivalent.

For example - A faculty member charging 50% effort on an ARRA award will be counted as .5 FTE. Hourly and part time employees shall be calculated based on actual hours worked on the sponsored agreement and the institution's definition of a full workload for employment.

The total hours reported may include paid leave.

5.4 How should recipients estimate the job impact of funding provided to sub-recipients?

Recipients must include an estimate of jobs created and retained on projects and activities managed by their funding recipients in their aggregate number and their narrative description. This information will be provided for each project and activity funded by the Recovery Act. The clarification that recipients must report jobs estimates for all sub-awarded funds is an update from previous guidance.

For example, consider a prime recipient that receives a \$10 million grant from a Federal agency for a specific project or activity. Assume the prime recipient hires five FTE to administer the program at a total cost of \$1 million, and distributes nine \$1 million grants to sub-recipients. In this case, the prime recipient will report the direct job creation of 5 FTE, and would also provide an estimate of the total employment impact of the nine \$1 million grants (using the same FTE methodology discussed in 5.3).

Prime recipients are required to generate estimates of job impact by directly collecting specific data from sub-recipients and vendors¹³ on the total FTE resulting from a sub-award. To the maximum extent practicable, information should be collected from all sub-recipients and vendors in order to generate the most comprehensive and complete job impact numbers available. However, in limited circumstances, the prime recipient can employ an approved statistical methodology to generate estimates of job impact, thereby collecting data from a smaller subset of sub-recipients and vendors in order to extrapolate an estimate of job impacts to all applicable sub-recipients and vendors. A statistical methodology should only be employed in those cases

¹³ Job estimates regarding vendors of prime- or sub-recipients, should be limited to direct job impacts for the vendor and not include "indirect" or "induced" jobs (see Section 5.2), e.g., hiring/retaining employees for infrastructure projects.

where a comprehensive collection of jobs data from all sub-recipients and vendors is overly costly or burdensome and thus disrupts the prime recipients' ability to effectively implement the underlying mission of the program.

The appropriate Federal agency for a given program area will issue supplementary guidance providing an acceptable statistical methodology for this purpose, including required sampling parameters. Further, OMB will explore with the Board whether the current data collection technology, www.FederalReporting.gov, can be modified in the future to allow sub-recipients to report jobs data directly to prime recipients.

In the narrative description accompanying the estimate, where the prime recipient utilizes a statistical methodology as described above, the prime recipient should note what part of the estimate was generated with actual data received versus what part of the estimate was generated through extrapolation. In addition, the narrative should provide a description of the statistical methodology used.

In addition to providing this information by project and activity as required by the Recovery Act, as a best practice it is also recommended that State governments post the employment impact of all recovery funds prominently on the State recovery website.

Appendix – Reference Sheet of Frequently Used Guidance Terms

This appendix aims to serve as a reference sheet of terms used in this Guidance document. It does not intend to redefine terms used in existing OMB Circulars, and it is meant to interpret this guidance document only.

Data quality as used in this Guidance means steps considered to improved accuracy, completeness and timely reporting of information. The data quality reviews required by this Guidance are intended to emphasize the avoidance of two key data problems -- material omissions and significant reporting errors that are also defined in this appendix.

Data Elements are the specific pieces of information that will be collected for recipient reporting under the Recovery Act requirements. The data dictionary provided in the supplemental materials to this Guidance lists these elements in a technical nature, and are also highlighted in Section 2 of this Guidance.

Direct loan means a disbursement of funds by the Government to a non-Federal borrower under a contract that requires the repayment of such funds with or without interest. The term also includes certain equivalent transactions that extend credit.

Expenditures – As defined in the data dictionary provided in the supplemental materials to this Guidance, the amount of Recovery funds received that were used to pay for projects or activities, including payments made to sub-recipients and vendors.

Material omissions are defined as those instances where required data is not reported or reported information is not otherwise responsive to the data request and such reporting gaps result in significant risk that the public will be misled or confused by the recipient report in question. In general, material omissions should be minimized by the www.FederalReporting.gov solution, which will require fields to be completed for successful transmission, as well as include edits and cross-edits to ensure data validity. However, a material omission may still occur to the extent submitted data is not responsive to a specific data request. For example, a recipient required to report a description of a purchase made from a vendor may not provide sufficient detail in the description for the reader to derive the nature of the purchase.

Recipients required to report to the Federal government are entities, other than individuals, that receive Recovery Act funding as Federal awards in the form of a grant, cooperative agreement, or loan directly from the Federal government. Recipients may be referred to as “prime recipients” in this document to help make the distinction between sub-recipients regarding the roles, responsibilities and reporting requirements.

Significant reporting errors are defined as those instances where required data is not reported accurately and such erroneous reporting results in significant risk that the public will be misled or confused by the recipient report in question. An example of this would be a recipient, or sub-recipient who reports expenditures in excess of the amount awarded by the Federal funding agency, excluding funding resulting from match requirements.

Sub-recipients that receive all or a portion of the Recovery funding may report to the Federal government based on guidance and direction from the prime recipient. Sub-recipients are non-Federal entities that are awarded Recovery funding through a legal instrument from the prime recipient to support the performance of any portion of the substantive project or program for which the prime recipient received the Recovery funding. The terms and conditions of the Federal award are carried forward to the sub-recipient. This sub-award could be in the form of a sub-grant or sub-contract, but it is not considered a “federal government contract,” as it is not awarded directly by a Federal agency. A sub-recipient may also be a prime recipient of other Federal awards directly from the Federal government.

Vendors, for the purposes of this guidance are entities or individuals from which the prime recipient or sub-recipient procures goods or services needed to carry out the project or program. Vendors are not awarded funds by the same means as sub-recipients and are not subject to the terms and conditions of the federal financial assistance award.