

Government Accountability and Transparency Board

A meeting of the Government Accountability and Transparency Board (GAT Board) was held at the Recovery Accountability and Transparency Board (Recovery Board) Office in Washington, D.C. on Wednesday, July 30, 2014, at 10:00 a.m. and continued until 11:22 a.m.

ATTENDEES:

Board Members:

Richard Ginman, Chairman and Director, Defense Procurement and Acquisition Policy, U.S. Department of Defense
David C. Williams, Vice Chair and Inspector General, U.S. Postal Service
Allison Lerner, Inspector General, National Science Foundation
Daniel Levinson, Inspector General, U.S. Department of Health and Human Services
Mark Reger, Acting Deputy Controller, Office of Management and Budget
Kathleen S. Tighe, Inspector General U.S. Department of Education

Agency Staff:

Brett Baker, Assistant Inspector General for Audit, National Science Foundation
Ross Bezark, Executive Director, GAT Board and Recovery Board
Kay Daly, Assistant Inspector General for Audit, U.S. Department of Health and Human Services
Nancy DiPaolo, Chief Intergovernmental Affairs, Recovery Board
Nancy Gunderson, Deputy Assistant Secretary for Grants and Acquisition Policy, U.S. Department of Health and Human Services
Carrie Hug, Director of Accountability, Recovery Board
Christina Ho, Assistant Commissioner, Government-Wide Accounting, U.S. Department of the Treasury
David Lebyrk, Fiscal Assistance Secretary, U.S. Department of the Treasury
Karen Lee, Chief of Management Controls and Assistance Branch, Office of Management and Budget
Keith Maddox, Special Assistant, U.S. Department of Education Office of Inspector General
Karen Pica, Management Analyst, Office of Management and Budget
Lisa Romney, Senior Procurement Analyst, U.S. Department of Defense
LeAntha Sumpter, Deputy Director, Defense Procurement and Acquisition Policy, Program Development and Implementation, U.S. Department of Defense
Cynthia Williams, GAT Board Secretary, Recovery Board

DISCUSSION:

Mr. Ginman called the meeting to order at 10:00 a.m., and by unanimous vote of the members present the minutes of the June 25, 2014, meeting were approved. Mr. Ginman informed the members of his invitation to meet with the Council of the Inspectors General on Integrity and Efficiency (CIGIE) on behalf of the GAT Board. He added that the CIGIE meeting is scheduled for September.¹

¹ Mr. Ginman met with the CIGIE Executive Board on September 16, 2014.

The members then turned their attention to the scheduled briefing on the collaborative financial assistance (grants) and acquisition (procurement) data standards effort led by the Department of Defense (DoD) and Department of Health and Human Resources (HHS).² Mr. Ginman introduced Ms. Romney and informed the members that both she and Amy Haseltine from HHS are leading the collaborative effort. Mr. Ginman commented that, in Ms. Haseltine's absence, Ms. Romney would discuss the effort from the grants and procurement perspectives.

Ms. Romney explained that in consonance with the GAT Board's strategic direction to improve data standardization, DoD and HHS volunteered to examine the data reporting elements addressed in the Federal Funding Accountability and Transparency Act (FFATA). She clarified that the scope of the review included 72 original FFATA data elements required for federal reporting and did not include the additional data elements introduced by the Digital Accountability and Transparency Act (DATA Act). Ms. Romney provided the members with the evolution of FFATA, pointing out that since its enactment in 2006 it has been amended twice, most recently earlier this year as a result of enactment of DATA Act legislation.

Ms. Romney then discussed the assumptions that governed the review. These included the following:

- Data elements across the procurement and grants communities can be standardized, but some data elements are truly unique to acquisition and grants;
- Authoritative sources for individual data elements will need to be resourced to support maintenance over time;
- Systems such as the Federal Assistance Awards Data System-Plus, Federal Procurement Data System, and USASpending.gov (or successor formats/systems) will need to be modified accordingly;
- Agencies will be provided the opportunity to review proposed data element names and definitions; and
- Agencies will be provided adequate time to implement final resolutions.

Ms. Romney further explained that the group's findings are divided into two broad categories – the first is agreed upon changes that can be implemented immediately; the other is agreed upon changes that will require new and/or revised policies. She added that the latter category would also require various levels of modifications to agency systems and/or business process.

Ms. Romney informed the members that, for the purpose of the review, the data elements were linked to one of five data areas:

1. Identification of the award;
2. Awardee/recipient information;
3. Place of performance;
4. Period of performance; and
5. Identification of agencies.

Ms. Romney then discussed in detail the analytical findings, challenges, and recommendations for the data elements in each data area.

² Upon approval, the scheduled briefing is expected to be made available on Recovery.gov.

1. Identification of the award. Ms. Romney explained that the data elements for the identification of the award include award identifiers, descriptions, Catalog of Federal Domestic Assistance (CFDA) numbers for grants, and North American Industry Classification System codes for contracts. Ms. Romney commented that standardizing this area would require CFDA policy clarification. The members engaged in a detailed discussion of the CFDA. Ms. Lee provided the history and purpose of the CFDA, noting that CFDA numbers were initially created to provide a resource for advertising available grants and other types of federal financial assistance. She added that more recently, the CFDA number in conjunction with the Treasury Account Funding Symbol (TAFS) code is being evaluated as a potential placeholder for the identification of programs and the associated funding stream(s).

The members discussed the complexities of tying awards to programs generally, and using CFDA specifically to define programs and map together funding streams. Several members commented on the challenges of standardizing the CFDA definition across all communities. Ms. Lee described the complex relationship that can occur between a grant award and CFDA number, noting that a grant award may be funded by multiple CFDA numbers. Ms. Gunderson remarked that the implementation of the Recovery Act added to the complexity by requiring the creation of new CFDA numbers and TAFS codes for all programs receiving Recovery Act funds. Ms. Romney and Ms. Lee briefly discussed the collection and display of CFDA numbers on USASpending.gov. Ms. Lee remarked that in instances where multiple CFDA numbers fund one grant award, USASpending.gov displays only the predominant CFDA number.

Mr. Ginman questioned the logic of pursuing the CFDA number as the program identifier. He commented on the need for a uniform award identifier and inquired into the results of the Department of the Treasury's (Treasury) discussions with agency representatives regarding the DATA Act requirements for transparent reporting. Ms. Ho informed the members that Treasury and the Office of Management and Budget (OMB) met with agencies to discuss the DATA Act reporting requirements. She remarked that agencies were asked to identify some of their existing data elements that could be used to define a program. Ms. Ho added that as a result of those meetings, OMB has drafted a position paper that proposes several revisions to the OMB A-11 Budget Circular. She went on to briefly discuss the proposals to reporting obligations and outlays by both program and object class as required by the DATA Act.

The members briefly discussed the willingness of the grants and procurement communities to adopt the use of a uniform award identifier. Mr. Ginman remarked that the Federal Acquisition Regulation (FAR) case mandating the use of a uniform identifier for all procurement awards will be implemented this year. Ms. Gunderson commented that discussions regarding a uniform award structure are on-going within the grants community but no final determination on its acceptance has been made. Ms. Lee added that there is also hesitancy to adopt a universal award structure within the financial reporting community.

2. Awardee/recipient information. The standardization approach for data elements within awardee/recipient information was then discussed. Ms. Romney explained that one major issue had surfaced with regard to awardee/recipient information, which stemmed from the lack of a directive requiring the use of the recipient name and address as entered into the authoritative

source – System for Award Management (SAM). Ms. Romney remarked that the name and address associated with the recipient's Dun and Bradstreet number (DUNS) can oftentimes vary from the data carried in an agency system. She reported that adding language to the existing policy to enforce the use of the name and address as carried in the SAM database will address this challenge. A discussion of the federal government's use of DUNS numbers ensued. Most members agreed that overreliance on the DUNS data has caused complications for the federal government.

3. *Place of performance.* Ms. Romney's discussion of the place of performance data area identified major differences between the grant and procurement communities. Ms. Romney commented that while the communities reached agreement on the data elements themselves, there are definitional differences which need to be resolved. She noted that where an activity is performed is not only tracked differently across the two communities but also within each community. Ms. Gunderson acknowledged that within the grants community there are instances where place of performance is defined as where work is performed, while in other instances it is defined as where workers are hired. Several members commented that standardization of this data area is an integral part of the transparency reporting effort.

The members reviewed the recommendations needed to standardize place of performance data elements. These included clarifying the definition of place, clarifying the intended purpose for collecting place of performance data, re-evaluating the data requirements to ensure that the right data is collected, establishing an authoritative source and collection mechanism if place codes are to be maintained, and determining how to accurately identify place of performance for Indian tribes.

Mr. Ginman asked for clarification on what authoritative body needs to deliberate on the recommendations. Ms. Romney informed the members that in addition to the GAT Board, a briefing was also made to the Award Committee for eGovernment. Ms. Tighe questioned the integration of this issue with Treasury's DATA Act implementation efforts. Ms. Ho and Ms. Romney assured the members that this and several companion efforts are being worked in conjunction with the overall Treasury effort. Mr. Lebryk added that the DATA Act enables Treasury to work cross-functionally and bring all of the individual agency efforts together. He noted that outreach efforts are underway to ensure that the agency efforts are merged into the larger effort.

4. *Period of performance.* Ms. Romney noted that the period of performance for grants and contracts is measured in different ways. The recommendations for this area included establishing clear guidance regarding the expectation for the collection and display of this data, and the creation of a governance process to ensure compliance with the standards. Ms. Sumpter commented that establishing business rules for each data element is a critical step for this and the place of performance data areas. She added that the guidance should focus on the question(s) to be answered by the data, the business rules around each data element, and how the data will be displayed.

5. *Identification of agencies.* Ms. Romney's discussion of agency identification data elements identified several cross-cutting issues. Ms. Romney commented that many of the data standard

efforts underway are grappling with this issue. A detailed discussion of authoritative sources for agency identifiers ensued. Most members agreed that OMB should drive the resolution process. Mr. Reger provided an overview of an OMB pilot effort underway to define agency programs and program activities. Mr. Reger and Ms. Lee commented that the results of the pilot might help inform the agency identification effort. Mr. Ginman suggested that a briefing on the effort might be beneficial for the members. Mr. Reger commented that the group is slated to brief the DATA Act Advisory Committee later this year on its efforts, and suggested that the need for and timing of a GAT Board briefing be tabled until after that initial briefing.

The members briefly discussed approaches underway as well as those needed to effectively create organizational relationships. Ms. Sumpter commented on a FAR case scheduled for implementation in November, which will establish a standard office code structure for all procurement awards. Several members commented on the impact that defining programs using CFDA numbers would have on the overall agency organizational structure. Mr. Ginman recapped the need for a universal award identifier.

Ms. Romney informed the members that the group's next steps will be completed in multiple phases. She commented that the first phase, which is underway, is to document all agreed upon changes and disseminate to the grants and procurement governance bodies for concurrence. The subsequent phases include developing collaborative recommendations with Treasury and other stakeholders, working collaboratively with OMB to initiate and codify policy changes, and ensuring that agencies update their systems and processes to comply with standards.

The members thanked Ms. Romney for her comprehensive briefing. Mr. Ginman suggested that resolution of the agency identification be solved separately and involve representatives from the broader federal community.

The next GAT Board meeting is scheduled for September 24, 2014.

Cynthia Williams
Secretary

FFATA Data Elements

An Exercise in Standardization

Government Accountability and Transparency
Board

July 30, 2014

Bottom Line Up Front

HHS and DoD were able to reach agreement on the basic set of data elements (names and definitions) required with some caveats:

- Some items will require policy be established / updated and enforced
- Some items will require process changes to collect and report the data
- Agency systems, FAADS+, FPDS, and USASpending will require various levels of changes
- Agreement on data element formats are still TBD

Background

- Federal Funding Accountability & Transparency Act (FFATA) of 2006 established specific reporting requirements for federal awards (e.g., contracts, grants, loans) at the prime and sub-tier levels
- OMB issued guidance for reporting the required data based on existing reporting requirements for FAADS (grants) and FPDS (contracts)
- FFATA was amended in 2008 adding additional data elements for executive compensation. The FAR and Title 2 incorporated the requirements
- FFATA was amended in 2014 by the Digital Accountability and Transparency Act (DATA Act). It contained provisions such as: full disclosure of Federal funds; simplifying reporting; and data standardization

HHS and DOD

Volunteer to Examine FFATA Data Elements

- February 2014 ACE meeting – HHS and DoD volunteered to examine the FFATA data elements to improve the usefulness of the data available to the public:
 - Focused on federal award reporting, not additional data elements introduced by the DATA Act
 - Goals
 - Improve the data in USASpending for both grants and contracts
 - Increase synergy between the business of grants and contracts
 - Identify areas that require focused work
- HHS/DoD established the following scope and assumptions:
 - Scope:
 - FAR-based contracts, grants (mandatory and discretionary), and cooperative agreements; loans and other financial assistance excluded
 - Examined 72 Data Elements and associated Data Definitions in the context of the presumed intent of FFATA; did not include additional data elements sent via FPDA or FAADS+
 - Assumptions:
 - Data elements across acquisitions and grants communities can be standardized, understanding there are some data elements that are truly unique to acquisition and grants
 - Authoritative sources for individual data elements will need to be resourced to support maintenance over time
 - FAADS+, FPDS, and USASpending (or successor formats/systems) will be modified accordingly
 - Agencies will be provided the opportunity to review proposed Data Element Names & Definitions
 - Agencies will be provided adequate time to implement the final resolutions

Analytic Findings for Consideration

Data Area – Identification of the Award

- Includes:
 - Award identifiers, descriptions, CFDA numbers, and NAICS codes
- Challenge:
 - Different award identifiers and schemas in the grants and acquisition portfolio
- Recommendations:
 - No policy changes required for unique award IDs
 - No Process changes for award IDS or NAICS
 - Policy clarification for the use of CFDA in regards to whether the requirement for CFDA is to identify programs or funding
 - Authoritative sources (the definitive source for the data based in policy, statute, regulation, and as appropriate, captured electronically by the associated business system) remain as currently identified:
 - CFDA application maintained by GSA
 - NAICS list maintained by Census

Data Area

Awardee / Recipient Information

- Includes:
 - Entity name, entity and parent identifiers, address and compensation
- Challenge:
 - While each entity reported via FFATA has an “entity name, address, etc.,” the name of that entity could be different depending on the authoritative source of the information
- Recommendations:
 - SAM should be considered the authoritative source:
 - SAM must have a business process to ensure data validity and accuracy
 - Governing bodies must ensure agency’s accurate use of SAM data
 - Updated agency business processes as necessary
 - Updated agency systems to include this data in their records
 - Resources provided to governing body and/or managing partner to maintain SAM as the authoritative source so that is also considered as a trusted source throughout the Federal community

Data Area

Place of Performance

- Includes:
 - Predominant place of performance
- Challenge:
 - The place where the activity is performed is captured differently for acquisitions and grants, and there are even differences within the grants community. Additionally – the Congress imposes not geographic “place” indicators, but also quantitative indicators to explain the expanse of the physical territory being serviced
- Recommendations:
 - Confirm the intended goal of “place of performance data”
 - Re-evaluate the data requirements in this area to ensure the data collected meets the intended goal
 - If place codes are maintained an authoritative source and collection mechanism is required
 - Confirm what “place” means – is it a physical building, or can it be a location or landmark
 - Determine how to identify place of performance for Indian tribes

Data Area

Period of Performance

- Includes:
 - Period of Performance start and end dates
- Challenge:
 - The periods of performance of grants and contracts are measured in different ways
- Recommendations:
 - Clear guidance of expected data for period of performance
 - Establish governance process to ensure use of standards and their incorporation into business processes
 - Updated agency business processes as necessary
 - Updated agency systems as necessary to follow guidance

Data Area

Identification of Agencies

- Includes:
 - Funding and awarding agency information
- Challenges:
 - There are different definitions for funding and awarding agency
 - There are differing standards/practices for identifying an agency
- Recommendations:
 - Establishment of a single authoritative source for both Grants and Acquisitions
 - Clear guidance of expected data for awarding and funding agency information
 - Establish governance process to ensure use of standards and their incorporation into business processes
 - Updated collection mechanisms
 - Updated agency business processes as necessary
 - Updated agency systems to include this data in their records
 - Resources provided to maintain the authoritative source as a trusted source for use throughout the Federal community

Next Steps

- ACE directed HHS/DoD team in June meeting to complete the work on suggested data and policy changes in phases
 - Phase 1 – data elements that can be agreed upon without further policy / process changes
 - Phase 2 – data elements where policy / processes must change in order to standardize and develop recommended changes
- Phase 1 underway – plan to coordinate recommended set of data elements with FACE, PCE, OMB, and Treasury before end of the fiscal year
- Identifying the categories within Phase 2 to tackle first
 - Will set up working groups with Treasury, FACE, and PCE members to develop recommendations
 - OMB initiate policy changes to existing FFATA direction, codify in both policy (i.e., Title 2 and FAR, as necessary)
 - Treasury, GSA, and Agencies update systems and processes to comply with standard
- Work with Treasury in additional DATA Act data standardization efforts

Back-Up Material

FFATA Requirements for Federal Awards

- Name of the entity receiving the award
- Amount of the award
- Transaction type
- Funding agency
- North American Industry Classification System (NAICS) code
- Catalog of Federal Domestic Assistance (CFDA) number
- Program source
- Award title descriptive of the purpose of each funding action
- Location of the entity receiving the award (including the city, state, congressional district, and country)
- Primary location of performance under the award (including the city, state, congressional district, and country)
- Unique identifier of the entity receiving the award
- Unique identifier of the parent entity of the recipient, should the entity be owned by another entity
- Names and total compensation of the five most highly compensated officers of the entity if—
 - The entity in the preceding fiscal year received—
 - 80 percent or more of its annual gross revenues in Federal awards; and
 - \$25,000,000 or more in annual gross revenues from Federal awards; and
 - The public does not have access to information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.
- Any other relevant information specified by the Office of Management and Budget