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## MEMORANDUM

April 7, 2010

TO: Tribal Clients

FROM: HOBBS, STRAUS, DEAN AND WALKER, LLP  
Geoff Strommer and Starla Roels 

RE: ***New Guidance on Publication of Audit Reports Under the American Recovery and Reinvestment Act***

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We previously reported to you about the audit requirements imposed by the American Recovery and Reinvestment Act (ARRA), Pub. L. 111-5. When ARRA first became law, the Office of Management and Budget (OMB) would not say whether the Single Audit Act audits and financial information submitted by ARRA funding recipients – including Indian tribes and tribal organizations – would be posted on the Recovery.gov website. We were concerned that without clarification from OMB, tribes' financial records, even financial information unrelated to ARRA, could be made open and available to examination by the public.

OMB has now issued a clarification that for fiscal years ending on or after September 30, 2009, OMB will *not* require full Single Audit Act information to be displayed on the Recovery.gov and Federal Audit Clearinghouse websites. The Federal Audit Clearinghouse will instead create and make public a report of audit findings associated with ARRA awards that will identify the following: name of the audited entity; fiscal year ending the date of the report; and a description of the type of compliance requirements associated with any audit findings. The OMB discusses this approach in Memorandum M10-14 and in OMB's "Frequently Asked Questions" document (*See* page 20 "Single Audit Requirement and Clarifications"), which are enclosed for your review.

While we have not fully analyzed this information at this time, we are aware that the OMB Memorandum also contains some new limitations of which you may want to be aware. For example, OMB advises federal agencies not to grant any extension requests for Single Audit Act audits for FYs 2009-2011. Please see the enclosed materials for more information. You may also wish to discuss these issues in greater detail with your audit firm or financial advisors.

If you have any questions about these matters, please contact Geoff Strommer or Starla Roels at 503-242-1745 or [gstrommer@hobbsstrauss.com](mailto:gstrommer@hobbsstrauss.com), [sroels@hobbsstrauss.com](mailto:sroels@hobbsstrauss.com).



THE DIRECTOR

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

March 22, 2010

M-10-14

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Peter R. Orszag  
Director

SUBJECT: Updated Guidance on the American Recovery and Reinvestment Act

The American Recovery and Reinvestment Act of 2009, P.L. 111-5 (“Recovery Act”) was signed into law by President Obama on February 17, 2009. As required by Section 1512 of the Recovery Act, recipients have completed reports for two reporting periods on the use of Recovery Act funding. With each new iteration of reporting, the quality of recipient-reported information is improving through enhancements to the FederalReporting.gov solution initiated by the Recovery Accountability and Transparency Board (RATB) as well as through guidance issued by the Office of Management and Budget (OMB) that has clarified the reporting requirements and increased their rigor.

This Memorandum provides guidance to Federal agencies and recipients intended to continue this record of continuous improvement. This Memorandum:

- Highlights the steps Federal agencies must take to review data quality of recipient reports during the new “Continuous Corrections” period initiated by the RATB in January 2010.
- Introduces a new category of data quality issues to be identified and tracked by Federal Agencies, “Administrative/Technical,” and provides specific instructions on preventing such issues from occurring.
- Clarifies the process by which Federal agencies obtain OMB approval of proposed program-specific guidance related to recipient reporting.
- Memorializes and extends the current process in place for Federal agencies to provide a master, detailed list of Recovery Act awards to the RATB and OMB.
- Clarifies miscellaneous issues for recipients, such as when a recipient should categorize a Section 1512 report as “final.”
- Instructs Federal agencies to take immediate action, as appropriate, to review and act on Single Audit findings.
- Reminds Federal agencies of applicable requirements and flexibilities for States to recover administrative costs and establishes a requirement to update OMB on efforts taken in this area.

Due to the rapidly approaching April reporting period, we are cognizant that Federal agencies and recipients may have questions pertaining to the newly issued guidance. Questions (or requested clarifications) pertaining to this guidance document should be sent to [recovery@omb.eop.gov](mailto:recovery@omb.eop.gov) for timely review.

Thank you for your cooperation.

Attachment

**1. What are the minimum actions Federal agencies must take in conducting data quality reviews during the “continuous corrections” period?**

In January, 2010, the Recovery Accountability and Transparency Board (RATB) modified the process for correcting data in FederalReporting.gov by initiating a “continuous corrections” period. Previously, data in FederalReporting.gov for a given reporting quarter was locked and no longer correctable once the reporting period for that quarter closed and the information was published on Recovery.gov. With a “continuous corrections” period, recipients can correct reported data for the immediately preceding reporting quarter after that reporting quarter has ended and after the data is published on FederalReporting.gov. Since the continuous corrections process began, the RATB has been “refreshing” the data on Recovery.gov approximately every two weeks to reflect these corrections.

Because recipients are changing information in FederalReporting.gov during the “continuous corrections” period, it is important for Federal agencies to initiate data quality reviews of the corrections being made by recipients during this period. On December 18, 2009, OMB issued M-10-08, *Updated Guidance on the American Recovery and Reinvestment Act – Data Quality, Non-Reporting Requirements, and Reporting of Job Estimates*. M-10-08 provided specific and detailed guidance on Federal agency responsibilities for data quality reviews during the traditional corrections period that occurs during a given reporting period and before recipient-reported data is published on Recovery.gov. The actions Federal agencies must take during the continuous corrections period with respect to data quality reviews are consistent with the requirements in M-10-08. In particular, the data quality plans required under M-10-08 must be updated to reflect planned actions during the continuous correction period. Federal agencies must, at a minimum, conduct a final review of the data upon the close of the continuous corrections period, given that all records are opened and subject to edits and corrections during that time. A specific methodology for the continuous correction period is not required. The Federal agency review must focus on significant reporting errors, material omissions and administrative/technical problems in a manner consistent with their established data quality review processes.

**2. Are “Significant Errors” and “Material Omissions” the only categories for describing issues or problems identified during the data quality review process?**

No. Previous guidance on this issue identified only the categories of “Significant Error” and “Material Omission” to describe data quality issues. These two categories are intended to focus data quality review efforts on the highest priority issues. During the data quality reviews conducted to date, a third category of data issues emerged – “Administrative/Technical” – which are not appropriately characterized as “Significant Errors” or “Material Omissions.” Administrative/Technical matters include, but are not limited to, inadvertent deactivation of reports, duplicate reports, unlinked reports or reports to be deactivated, or technical issues relating to a record identifier. These matters may significantly impact the reliability of the information reported; however, they should not implicate the compliance status of the recipient involved. In some cases these reporting

issues may have been outside the control of the recipient. In other cases, the recipient may have chosen a reasonable approach to reporting the data but the approach resulted in technical challenges for the Federal agency or the RATB to review and aggregate such data.

For administrative/technical problems identified in the standard Federal agency review window (e.g., April 11 – 29 of the upcoming reporting month) or in the continuous correction period, OMB will establish a process through the MAX Community web page (Federal access only) for agencies to submit detailed information on the issue and the adjustment requested.

In an effort to reduce the number of administrative/technical matters, Federal agencies must take the following actions:

- Instruct all recipients submitting subsequent quarterly reports to use the Copy and Copy Forward function. This process will create and preserve a link from the previous quarter's report to the new quarterly report to be submitted. Additional details are found in Chapter 15, Copy Forward and Copy Function of the RATB's In-bound recipient reporting user manual. The RATB user manuals are available online at [www.FederalReporting.gov](http://www.FederalReporting.gov)
- Avoid changing Federal agency Award ID's previously provided to recipients in prior quarters. A Federal agency must seek OMB's approval to change or modify Award ID's for which the recipient has already begun to report. This does *not* mean corrections to inaccurately reported Award ID's in recipient reports, but a change in the naming convention/formatting or issuing entirely new award numbers that will not be recognized within the system.
  - a.) To request Award ID changes, the Federal agency must send an email to [recovery@omb.eop.gov](mailto:recovery@omb.eop.gov) with "[Agency Name] Request to change Award ID's" in the subject line that contains:
    - Rationale for Request
    - Program Name
    - Recipient type (e.g. state/local government, Federal contractor, etc.)
    - Number of reports that will be affected
  - b.) Upon OMB approval, the Federal agency must be prepared to provide a detailed record that links awards with different ID numbers across reporting quarters.

**3. May Federal agencies post their own program-specific guidance for recipient reporting? How is program-specific guidance cleared by OMB?**

Federal agencies are permitted to post and distribute their own guidance for recipient reporting provided that the program-specific guidance does not conflict (in whole or in part) with OMB guidance. All program-specific recipient reporting guidance is subject to OMB review prior to public posting. When a Federal agency issues guidance on the Recovery Act,

the agency must immediately post the guidance on the agency's Recovery Act web page. In addition, the Federal agency must disseminate the guidance, to the maximum extent practical, to a broad array of external stakeholders (e.g., recipients, Governors, State Legislatures, State program offices, local government officials, etc.) and respond promptly to their queries about the guidance. Federal agencies are encouraged to engage State and local governments and other stakeholders during the development of any relevant guidance.

The process for Federal agencies to submit program-specific guidance to OMB is as follows:

- Federal agencies should email [recovery@omb.eop.gov](mailto:recovery@omb.eop.gov) and provide the OMB Resource Management Office (RMO) for the Federal agency a copy of the program specific guidance. The document should be provided to OMB before it has been publicly posted or distributed to the intended recipients. The scope of parties subject to the proposed guidance should be referenced within the document.
- OMB will review and verify the compatibility of the proposed program specific guidance with standing OMB guidance.
- If no conflicts exist in between the proposed program-specific guidance and standing OMB guidance, OMB will issue the Federal agency a notice of concurrence.
- If the proposed guidance contradicts standing OMB guidance in whole or in part, the Federal agency is required to make all appropriate changes before official release.
- Please note that the time period required for OMB's review of proposed guidance will vary based upon its length and content. In exceptional circumstances, an agency may request an expedited OMB review.
- Federal agencies should not submit documents for review if they are simply a synopsis of standing OMB guidance.

In addition to the above steps, Federal agencies should remain vigilant of changes, clarifications, and updates to OMB recipient reporting guidance. Should changes in OMB guidance result in the non-conformance with program-specific guidance, it is the responsibility of the Federal agency to update all impacted sections and re-submit the guidance to OMB.

**4. What additional steps should Federal agencies take in calculating control totals for its review of non-compliant recipients?**

On December 18, 2009, OMB issued M-10-08, *Updated Guidance on the American Recovery and Reinvestment Act – Data Quality, Non-Reporting Requirements, and Reporting of Job Estimates*. M-10-08 established a process for Federal agencies to calculate control totals for the number of awards issued and the total dollars associated with such awards. Subsequent to the issuance of M-10-08, OMB requested Federal agencies submit a detailed list of all awards issued, including information on such award such as date, recipient, amount, etc. This detailed list will be required on a systematic basis consistent with the below requirements. Further, additional instructions on the calculation of control totals are provided below.

## Recovery Act Awards List

In order to better assess progress in implementing the Recovery Act, Section 1512 reporting requirements and to assist the RATB in its oversight, the Federal agencies are required to compile a comprehensive list of all awards subject to the Recovery Act, Section 1512. The required award information and associated template is available on the MAX Community (<https://max.omb.gov/community/x/OAKiGg>) and must be emailed directly to the RATB at [awardid@ratb.gov](mailto:awardid@ratb.gov) with the subject heading "Agency Award Information." For the reporting period ending March 31, 2010, this transmission must occur no later than March 28, 2010. For all future reporting periods, the transmission must occur no later than five business days prior to the end of the reporting quarter. An update of the award list, to include any corrections as well as awards made in the last 3-5 days of the reporting period, will be provided by the eighth day of each reporting month. The email transmission must also copy the agency's regular OMB RMO contact and [recovery@omb.eop.gov](mailto:recovery@omb.eop.gov).

The Federal agency lists of Recovery awards should include all Recovery Act awards made that have recipient reporting requirements since enactment through the close of business of the day prior to each quarterly submission deadline, the first of which is March 28, 2010.

## Calculating Quarterly Control Totals

Each Federal agency will use the known exclusions outlined below in conjunction with its comprehensive Recovery Act award list to establish its control totals (the number of reports expected to be submitted for the quarter), one day prior to the final day of the Federal agency review window, each agency will post the control totals for both *Federal contracts and grants, loans and other assistance* to the appropriate page on the MAX Community. The Federal agencies should also be prepared to have control totals for Recovery awards for the following known reporting exclusions upon request.

### *Known Exclusions from Reporting*

- Not required to report, (e.g. loan or grant less than \$25,000)
- Federal program exempted from 1512 reporting (e.g. USDA's Single Family Housing loan program)
- Award deobligated
- Award cancelled or terminated
- Extension for "Extraordinary Circumstances" (e.g. Natural disaster)
- Award is classified
- Micropurchases made with the purchase card
- Federal contract, not yet invoiced
- Final report previously submitted to FederalReporting.gov
- Other (if applicable, provide details on why reporting is not expected)

## **5. When should a recipient indicate that its Recovery Act, Section 1512 submission is the "Final report?"**

## Recipients of Grants, Loans and other Federal Assistance

Recipients that have complied with their reporting requirements will no longer be required to submit Section 1512 reports under the following circumstances:

- The award period has ended; and
- All Recovery funds are received (through draw-down, reimbursement or invoice) and the project status is complete per agency requirements and/or performance measures; or
- The award has been terminated or cancelled.

A recipient will indicate a “Y” in the final report data field in FederalReporting.gov if its report is considered final and there will be no future reports submitted. Indication of a final Section 1512 report does not replace any other closeout procedures required by the recipient or Federal agency.<sup>[1]</sup>

## Recipients of Direct Federal Contracts

A Frequently Asked Question (FAQ) will be posted to the FAQs for Federal Contractors at [http://www.whitehouse.gov/omb/recovery\\_faqs\\_contractors](http://www.whitehouse.gov/omb/recovery_faqs_contractors). These FAQs are also linked under the FAQ tab at FederalReporting.gov.

### **6. Which of the recipient reporting data fields are a quarterly and which are cumulative?**

The Federal agencies and reporting entities should utilize the available guidance at [www.FederalReporting.gov](http://www.FederalReporting.gov), including the reporting templates and the *Recipient Reporting Data Model*. The only field requiring quarterly data is “Number of jobs.” Other fields, i.e., “Total amount of payments to Vendors less than \$25,000/award” and “Total amount of Sub Awards less than \$25,000/award” have a quarterly threshold (below \$25,000) for inclusion in the data element, but the amount reported is cumulative for the award.

### **7. What steps should be taken on Single Audits reports for oversight and accountability of Recovery Act funding?**

Single Audit is a key tool used to drive accountability for Federal awards under the Recovery Act. Non-Federal entities (States, local governments, colleges and universities, and non-profit organizations) are required by the Single Audit Act Amendments of 1996 (Single Audit) and OMB Circular A-133 to have an annual audit of their Federal awards, including the Recovery Act programs.

Many non-Federal entities, particularly states, will submit their annual Single Audit by March 30, 2010 (for entities with fiscal year-end June 30, 2009). The Federal Audit Clearinghouse (FAC) processes all Single Audit submissions and will prepare a report that

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<sup>[1]</sup> For more information on administrative procedures please see OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations ([http://www.whitehouse.gov/omb/circulars\\_a110/](http://www.whitehouse.gov/omb/circulars_a110/)).

summarizes the audit findings by type of non compliance (i.e., activities allowed or unallowable, allowable costs, eligibility, reporting) for all Recovery Act programs identified by recipients for all single audits with fiscal year ended September 30, 2009 and later.

Federal awarding agencies shall review these reports and take action on them. Actions at a minimum should include the following:

- Expedite review and resolution of audit findings to ensure all findings are resolved within 6 months after the date the FAC shows filing status as complete.
- Focus audit resolution on high risk programs and auditees.
- Analyze audit findings across grantees and programs to identify high risk areas. Use the FAC's special report for Recovery Act programs as a tool to identify areas of weaknesses. (<http://harvester.census.gov/sac/>).
- Work with recipients of Federal awards to make sure appropriate corrective action plans are developed and implemented to address areas of highest risk for ARRA programs as identified in the previous bullet.
- Consider additional monitoring, inspections, or audits for grantees where Single Audits identified greatest risk.
- Report synopses of highest risk audit findings by major Recovery Act programs to OMB by September 30, 2010.

Due to the importance of the Single Audits and the reliance of Federal agencies on the audit results to monitor the accountability of Recovery Act programs, agencies should not grant any extension request to grantees for fiscal years 2009 through 2011. In order to meet the criteria for a low-risk auditee (OMB Circular A-133 §\_\_\_\_.530) in the current year, the prior two years audits must have met the requirements of OMB Circular A-133, including report submission to the FAC by the due date (OMB Circular A-133 §\_\_\_\_.320).

For fiscal year 2009, OMB has implemented an internal control project that resulted in early reporting of internal control deficiencies and weaknesses for major Recovery Act programs by 16 volunteer States. Interim reports along with corrective action plans were submitted to the Department of Health and Human Services (the Federal cognizant agency) and OMB by January 31, 2010. Federal agencies should immediately follow-up on weaknesses disclosed by the Single Audit Internal Control Pilot Project and work with the States in implementing the necessary steps in the corrective action plan.

OMB will continue to use the OMB Circular A-133 Compliance Supplement to notify the auditors of specific compliance requirements which should be tested for Recovery Act awards. Thus, Federal agencies should review whether particular areas of the 2011 Compliance Supplement should be updated or revised for issues disclosed in Single Audits. The 2011 Compliance Supplement process starts in August 2010.

Offices of Inspectors General (OIG) should continue to reach out to the auditing profession and provide technical assistance and training as well perform quality control reviews to ensure single audits are properly performed and improper payments and other non-compliance is fully reported. The results of quality control reviews (QCRs) should be reported to Federal agency websites and [Recovery.gov](http://Recovery.gov).

This guidance only applies to recipients of Federal assistance awards.

**8. What steps should be taken on Recipient financial reports of Recovery Act programs?**

Under the Federal agency's term and conditions of the Recovery Act programs, when the Federal agency requires the loan and grant recipients to submit an annual financial report, agencies will ensure reports are submitted within the required time from the end of the financial period. Federal agencies should expedite the review of the Recovery Act program reports to verify recipient's compliance with the reporting requirements, monitor its spending pattern and identify any risk areas for that recipient. For any at-risk recipients of Recovery Act funds, Federal agencies should consider immediate steps to correct the deficiencies and weaknesses, including not renewing the grants or terminating the current grant.

This guidance only applies recipients of Federal assistance awards.

**9. Can Federal agencies limit the recovery of administrative costs associated with ARRA activities when the State's Statewide Cost Allocation Plan has been approved?**

On May 11, 2009, OMB issues M-09-18, *Payments to State Grantees for Administrative Costs of Recovery Act Activities*. M-09-18 provides State and local governments flexibilities to recover administrative costs related to implementing Recovery Act programs and activities in a timely manner. The process is done through the preparation and submission of the Statewide Cost Allocation Plans to the Department of Health and Human Services (HHS), the Federal cognizant agency. The recovery is limited to 0.5 percent of total ARRA funds received and is further restricted by any specific limitations or restrictions imposed by program statutes. (FAQ 4 under "Recovering Administrative Costs" - [http://www.whitehouse.gov/omb/recovery\\_faqs/#rs4](http://www.whitehouse.gov/omb/recovery_faqs/#rs4))

Once the Statewide Cost Allocation have been reviewed and approved by HHS, Federal agencies should not implement any additional limits or caps that are not based on State administrative cost recovery program statutes or regulations. Federal agencies should report to OMB by April 30, 2010, any additional limits or caps placed on the recovery of administrative costs for ARRA programs and activities. The submission should include the effected ARRA programs, a description of the limits or caps and the basis of the restrictions. The submission should be sent to [recovery@omb.eop.gov](mailto:recovery@omb.eop.gov) with the subject heading "ARRA Administrative Costs."

In addition, Section 1552 of the Recovery Act provides Federal agencies the authority to "reasonably adjust limits on administrative expenditures for Federal Awards to help award recipients defray the cost of data collection requirements initiated pursuant to this Act." Federal agencies should report to OMB by April 30, 2010 whether agencies have used this authority to provide State's and local governments relief in the recovery of administrative costs. The submission should include the effected ARRA programs and the adjustments

made under this authority. The submission should be sent to [recovery@omb.eop.gov](mailto:recovery@omb.eop.gov) with the subject heading “ARRA Administrative Costs.”

This guidance only applies to recipients of Federal assistance awards.

**10. What are the next steps for agencies to update their agency and program performance information on Recovery.gov?**

As required by previous OMB guidance (M-09-10, M-09-5), each agency developed a performance plan for each Recovery Act program in the months following passage of the Act. The agency plan included the agency's broad Recovery Act goals and how different parts of the agency are coordinating efforts toward successful implementation and monitoring as well as the processes in place for senior managers to regularly review the progress and performance of major programs, including identifying areas of risk and completing corrective actions. The program plan included a description of program funding, objectives, activities, delivery schedule with milestones for major phases of program implementation, performance measures, monitoring and review processes, transparency and accountability procedures, and barriers and solutions to effective implementation. The plans were posted on agency recovery sites as well as on Recovery.gov. Agencies have included performance requirements in their grant and contract agreements and receive information on the results of program projects and activities on an ongoing basis.

Each agency should continue to track progress relative to their plans. Additional guidance on the process for updating performance data on [www.Recovery.gov](http://www.Recovery.gov) will be provided separately. Updates on key measures and milestones will help provide the public with information on the progress agencies are making as programs are implemented.



OFFICE OF  
**MANAGEMENT AND BUDGET**

**FREQUENTLY ASKED QUESTIONS  
 AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009**

[Note: \* denotes a new question and/or section as of March 26, 2010]

**CLARIFICATION OF M-10-14 GUIDANCE (March 22, 2010)\***

1. Should agencies indicate to the public when they have made changes to their initial Recovery Act implementation plans, or lists of approved projects?

**CLARIFICATION OF M-10-08 GUIDANCE (December 18, 2009)**

1. What information are prime recipients and sub-recipients with delegated reporting responsibility required to report for vendor payments?
2. Does the \$25,000 threshold for vendor payments apply to payments or the award or invoice amount?
3. How are aggregated payments reported over more than one quarter?
4. How are separate payments to one vendor reported over more than one quarter?
5. What if a vendor's payments were aggregated in a previous quarter and then the vendor received a payment of more than \$25,000 during the current reporting quarter?

**CLARIFICATION OF M-09-21 GUIDANCE (June 22, 2009)**

1. M-09-21 stated that it did not apply to Federal contracts, just grants, loans, and other financial assistance; however, the Supplement 1 list includes programs that are only supported by Federal contracts. Is that a mistake and should Federal "contract" programs be removed?
2. When will the FederalReporting.gov solution be open for registration?
3. Are activities funded by the Recovery Act and executed under PL 93-638 contracting mechanisms with the Indian Health Service; or the Department of the Interior subject to the reporting requirements outlined in M-09-21?
4. Why is the Department of Labor's Employee Benefits Security Administration (EBSA) COBRA Premium Assistance program (CFDA 15.151) on M-09-21 Supplement 1? Do individuals who receive COBRA premium assistance need to meet the Recovery Act recipient reporting requirements? Are employers which receives COBRA premium assistance subject to Recovery Act recipient reporting requirements?
5. What amount should be reported for a vendor (grants and loans only) in the data element entitled "Payment Amount" - the amount of individual payments or the amount invoiced?
6. Are State funded universities or institutions of higher education considered a State agency or sub-recipient for reporting purposes?
7. Can a State agency be a sub-recipient or vendor of another State agency in relation to Section 1512 reporting?
8. Have any waivers been granted to allow recipients to report Section 1512 data directly to Federal agencies rather than through the central reporting solution of FederalReporting.gov?
9. If States issue retention bonuses with ARRA funding, are those counted as jobs retained? If States use ARRA

dollars for cost of living increases, how would it be calculated with regards to jobs saved and created (This FAQ has been superseded by FAQ #10 below, "If States issue retention bonuses or provide cost of living increases with ARRA funding, are those counted as jobs retained?")?

10. If States issue retention bonuses or provide cost of living increases with ARRA funding, are those counted as jobs retained (This FAQ was temporarily removed from the website in error, and this reposting does not contain any changes)?

## **CLARIFICATION OF M-09-15 GUIDANCE (April 3, 2009)**

1. Is there flexibility to alter any deadlines outlined in the OMB Guidance?
2. How should agencies account for and report on overhead costs of Recovery funds?
3. Will OMB be issuing guidance on the requirement in Section 1511 of the Recovery Act related to the State and local certifications for infrastructure investments?
4. What actions must a Federal agency take when it issues guidance for recipients (e.g., State and local governments) regarding the Recovery Act?
5. What is the status of the effort to develop government wide standard terms and conditions?
6. Are agencies required to submit major communications, formula block grant allocations, and agency weekly reports via e-mail using the provided standard excel templates? Even if they have successfully implemented an ATOM 1.0 or RSS feed for the same information?
7. What are the reporting requirements for Federal agencies that are engaging in Recovery Act-related activities but did not receive Recovery Act funding, and are there any exceptions?
8. What are the reporting requirements for Inspectors General that are engaged in oversight of Recovery Act-related activities?
9. Do reporting requirements of the Recovery Act apply to existing, non-Recovery funded activities or contracts when a Federal agency supplements those activities with Recovery funds?
10. If the Governor of my State submits a certification under Section 1607, does the Governor also have to submit additional (e.g., agency-specific or program-specific) certifications in order to satisfy Section 1607?

## **TECHNICAL RECIPIENT REPORTING SOLUTION FAQ**

### **Registration FAQs**

1. How do we ensure that only authorized individuals report?
2. How long does it take to register?
3. Who needs to get a DUNS number?
4. My organization has more than one DUNS number. How do I know which DUNS number to enter when I register?
5. If I am a State central coordinator who will be reporting on behalf of multiple State agencies, which DUNS number do I enter when registering?
6. What if a registrant's organization doesn't have a CCR/DUNS?
7. Can multiple individuals register for a recipient/agency?
8. Can multiple individuals within our organization register as FederalReporting.gov users?
9. What if my organization is a Prime for one award and a Sub for another?
10. Will I be able to register during the reporting period (October 1-10)?

### **Reporting FAQs**

1. Will the system pre-populate information from other systems?
2. How will Prime Recipients delegate reporting to Sub Recipients?
3. What happens if multiple reports are submitted for an award (or sub award)?

4. [Will I get a confirmation of my report submission?](#)
5. [How are Prime and Sub Recipient Reports related in the solution?](#)
6. [The "Primary Place of Performance" is a mandatory data element requiring recipients to identify a single geographical location. How should a State's recipient report reflect those instances where a Federal award has more than one place of performance \(i.e., funds are used various project across the entire State\)?](#)
7. [Can a recipient choosing to use the XML export option submit a bulk extract containing multiple reports for multiple awards?](#)
8. [Can I modify the Spreadsheet structure?](#)
9. [How do you know all reports are submitted?](#)
10. [Can reports be modified after October 10?](#)
11. [Are previous versions stored in the system?](#)
12. [Will recipients be able to check their XML formatted submissions in advance \(to facilitate system output configuration\)?](#)
13. [Why does the system use MPIN? How is that information used/protected?](#)
14. [If recipients can modify submitted reports are reports submitted prior to 10 days after the end of the quarter considered draft?](#)
15. [What is the difference between a sub recipient and a vendor?](#)
16. [Can ARRA 1512 reporting be combined with existing reporting structures?](#)

#### Report Review FAQs

1. [Can recipients modify reports after October 21?](#)
2. [What happens if an error is discovered after October 30?](#)
3. [Will agencies verify that corrections are made?](#)
4. [What happens if an agency doesn't review all reports by the final posting date?](#)
5. [Who is responsible for ensuring reports are complete and accurate?](#)
6. [Who can engage in review activities?](#)
7. [How will the system support the identification and communication of any identified reporting issues?](#)

#### Outbound Reporting FAQs

1. [What information from submitted reports will be available on Recovery.Gov?](#)
2. [Who can access this information?](#)
3. [How will the information be used?](#)
4. [What happens if errors are discovered after the final information is posted to Recovery.Gov?](#)
5. [Will any data be excluded from posting?](#)

#### Timing and Support FAQs

1. [When will the MS-Excel template be available?](#)
2. [Will there be modifications to the data model?](#)
3. [When will the XML validation service be available?](#)
4. [Who do I contact if I have a problem with reporting?](#)
5. [When will the Service Desk become operational?](#)
6. [Where are the technical recipient data reporting materials \(e.g., spreadsheet templates and XML schema\) located?](#)
7. [In addition to the technical data reporting materials on www.Recovery.gov, will there be any other materials available to assist recipients in preparing their first Section 1512 Recipient Reports?](#)

## STATE NOTIFICATIONS OF FEDERAL AWARDS

1. What information should Federal agencies already be providing to States on contract and grant awards?
2. Will there be additional information that Federal agencies will need to provide on these awards to the States?

## RECOVERING STATE ADMINISTRATIVE COSTS

1. OMB Memo 09-18, Payments to State Grantees for Administrative Costs of Recovery Act Activities, provides the State two alternatives under the current Statewide Cost Allocation Plan process to collect funds in a timelier manner for ARRA administrative activities ([http://www.whitehouse.gov/omb/assets/memoranda\\_fy2009/m09-18.pdf](http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-18.pdf)). It mentions that the budget or estimated cost should not be in excess of 0.5 percent of the total Recovery Act funds received by the State. How is the half percent cost limitation calculated? Will it be based on the total dollars received by the State or will it be calculated for each grant?
2. Is the half percent only for the additional cost related to reporting and does not apply to the normal administration associated with administration of Federal grants?
3. Is there any mechanism for additional recoveries if the half percent is insufficient to perform the required oversight, reporting and auditing associated with these grants?
4. Some ARRA programs have limitations on the recovery of administrative costs, does the OMB memorandum give States the authority to collect reimbursements for administrative costs based on an approved Statewide Cost Allocation Plan (SWCAP)?
5. Can the counties and local governments claim the half percent for their administrative costs related to ARRA activities?
6. What is the process for States to recover the administrative costs related ARRA activities?

## GENERAL RECOVERY ACT FAQ

1. Can Recovery Act funds be used to implement energy and water efficiency improvements through existing Utility Energy Service Contracts?
2. Will the Weekly Financial Activity Report continue to be cumulative after September 30, 2009, or will the report start a new reporting period on October 1 for fiscal year 2010?
3. To what extent do Recovery Act funded projects need to comply with environmental reviews or assessments?
4. Have the guidelines for lobbyist contact regarding Recovery Act projects been updated?
5. I understand that pursuant to the updated guidance, there are generally supposed to be no oral conversations (with some exceptions) concerning pending applications for competitive funding under the Recovery Act. Can there be written communications and should these be posted online?
6. To what extent does the Recovery Act preserve access to Federal contracts and procurement opportunities for women- and minority-owned businesses?
7. Does the Buy America provision under Section 1605 of ARRA apply to the construction, alteration, maintenance, or repair of a facility undertaken by a state college or university with ARRA funds?

## CLARIFICATION ON AGGREGATION OF RECIPIENT REPORTS

1. Are prime recipients receiving awards under \$25,000 required to submit S.1512 recipient reports into the FederalReporting.gov solution?
2. Though the M-09-21 Guidance allows aggregate reporting for sub-awards less than \$25,000, sub-awards to individuals, and payments to vendors less than \$25,000, are prime recipients *required* to submit aggregate reports? Or can prime recipients choose to submit separate, distinct records for each sub-award?
3. How should aggregated reports for sub-awards below the \$25,000 threshold be treated when modifications

to single sub-awards are subsequently increased and result in a total sub-award amount to cross the \$25,000 threshold? For example, a prime recipient can include a \$17,000 award into its aggregate report, but the award is modified to reflect an additional \$10,000, which makes the award total \$27,000.

4. Do I need to disaggregate payments to vendors under \$25,000, paid in a previous quarter, if I reach the \$25,000 threshold through additional payments in subsequent quarters?

## **SINGLE AUDIT REQUIREMENT AND CLARIFICATION**

1. What Single Audit report information will be displayed on Recovery.gov, as required by Section 1526 of the Recovery Act that requires the public display of audit findings?

## **CLARIFICATION OF M-10-14 GUIDANCE (March 22, 2010)**

1. **Should agencies indicate to the public when they have made changes to their initial Recovery Act implementation plans, or lists of approved projects?**

**A:** Yes. Transparency is essential to the implementation of the Recovery Act, and agencies should make it clear to the public when they have made changes to their program implementation plans, or to their lists of approved Recovery Act projects. Thus, in addition to posting the most up-to-date plans and project lists on their respective recovery websites, agencies should post a record of the changes they made—as approved by OMB. This includes indicating projects that were cancelled after initial approval, as well as those that were deferred and will be completed with non-Recovery Act funds. In presenting these changes, agencies should clearly indicate the alternative projects that were approved in their place. Further, in cases where approved Recovery Act projects came in under budget or where savings were achieved, such that the agency was able to reallocate the additional funds, agencies should indicate on their websites how they intend to use those funds.

Agencies are strongly encouraged to record their project changes in periodic batches, and to accompany the posting of changes with a press release that explains why the changes were made, and how they will facilitate more effective and efficient implementation of the relevant Recovery Act programs.

## **CLARIFICATION OF M-10-08 GUIDANCE (December 18, 2009)**

1. **What information are prime recipients and sub-recipients with delegated reporting responsibility required to report for vendor payments?**

**A:** All vendor payments must be reported. Individual payments greater than \$25,000 must be reported separately with the following data elements for each payment:

- o Vendor identity either through DUNS number OR the Vendor Name and the zip + 4 digit code of the vendor's headquarters.
- o Payment description and payment amount (required to be reported by prime recipients; optional for subrecipients)

Recipients may report individual payments less than \$25,000 either separately or aggregated. The aggregated record should not duplicate information reported in separate records.

*Example 1:* A recipient paid a vendor 26 payments of \$1,000 each within the reporting period. Since no payment exceeded \$25,000, the payments can be reported in the aggregate in the PRIME RECIPIENT TAB or separately in the VENDOR TAB, but not both.

2. **Does the \$25,000 threshold for vendor payments apply to payments or the award or invoice amount?**

A: Aggregation is based on PAYMENTS under \$25,000 and not on awards or amounts invoiced, if different than the payment amount.

3. **How are aggregated payments reported over more than one quarter?**

A: Include the total number and dollar amounts for payments to vendors under \$25,000 for the current reporting quarter and all past reporting quarters in the PRIME RECIPIENT TAB.

4. **How are separate payments to one vendor reported over more than one quarter?**

A: For payments of \$25,000 or more, include payments made to the vendor for the current and past quarters with the payment amount in the VENDOR TAB.

*Example 2:* A vendor received one payment of \$25,000 in the previous quarter and another payment of \$25,000 in the current quarter. The recipient would report two payments of \$25,000 in the VENDOR TAB.

5. **What if a vendor's payments were aggregated in a previous quarter and then the vendor received a payment of more than \$25,000 during the current reporting quarter?**

A: Continue reporting the amounts aggregated in the previous quarter with any additional aggregated payments of less than \$25,000 in the current quarter and list of payments of \$25,000 or more for the current quarter in the VENDOR TAB.

*Example 3:* Vendor A receives one payment of \$5,000 in Q1, one payment of \$5,000 in Q2, and one payment of \$25,000 in Q2. For the Q2 reporting period, the recipient reports the \$25,000 payment separately in the VENDOR TAB and includes the \$10,000 as a cumulative aggregation in the PRIME RECIPIENT TAB.

## **CLARIFICATION OF M-09-21 GUIDANCE (June 22, 2009)**

1. **M-09-21 stated that it did not apply to Federal contracts, just grants, loans, and other financial assistance; however, the Supplement 1 list includes programs that are only supported by Federal contracts. Is that a mistake and should Federal "contract" programs be removed?**

A. No. Supplement 1 is a list of Recovery Act funded programs that are subject to the recipient reporting requirements in Section 1512 of the Act. If the work of the program listed in Supplement 1 of the guidance is performed under a federally awarded contract, then the recipient is a Federal contractor subject to the FAR clause 52.204-11 and the agency awarding that contract is responsible for following the related requirements of the FAR for that Recovery Act funded action. Supplement 1 carries no further implications for programs carried out using federally awarded contracts.

2. **When will the FederalReporting.gov solution be open for registration?**

A. The FederalReporting.gov website will be open for registration only beginning August 17, 2009. In addition, the Service Desk offering technical support will begin operation on that date.

3. **Are activities funded by the Recovery Act and executed under PL 93-638 contracting mechanisms with**

**the Indian Health Service; or the Department of the Interior subject to the reporting requirements outlined in M-09-21?**

A. Yes. With the exception of a few statutory exemptions, tribal contracts and contract addenda are subject to the reporting requirements outlined in M-09-21 because they are not exempt from the requirements of Section 1512 of the Act. The ARRA contract and contract addendum includes a list of reporting responsibilities for tribes or tribal organization that accept ARRA funds. These reporting requirements only apply to ARRA funded activities. Tribes and tribal organizations with questions about reporting requirements should contact the Federal agency that disbursed the ARRA funds.

- 4. Why is the Department of Labor's Employee Benefits Security Administration (EBSA) COBRA Premium Assistance program (CFDA 15.151) on M-09-21 Supplement 1? Do individuals who receive COBRA premium assistance need to meet the Recovery Act recipient reporting requirements? Are employers which receives COBRA premium assistance subject to Recovery Act recipient reporting requirements?**

A. Individuals benefitting from COBRA premium assistance do not need to comply with Recovery Act reporting requirements. Employers receiving COBRA premium assistance are also not subject to the Recovery Act reporting requirements. Additionally, States are not required to submit COBRA data in their recipient reports. The Department of Labor's role in the COBRA premium assistance program is limited to issuing model notices and processing appeals of denials of eligibility. Funding for these efforts was provided through Division A of the Act; contracts issued with these funds will be covered by Recovery Act reporting requirements for contractors.

- 5. What amount should be reported for a vendor (grants and loans only) in the data element entitled "Payment Amount" - the amount of individual payments or the amount invoiced?**

A. The amount of individual payments to vendors, using Recovery Act funds, should be reported in the data element entitled "Payment Amount."

- 6. Are State funded universities or institutions of higher education considered a State agency or sub-recipient for reporting purposes?**

A. State funded universities or institutions of higher education should generally be treated as a sub-recipient when receiving ARRA funds from a State agency. The application of this rule may vary, depending on the guidance for the specific Federal program. The recipient should contact the applicable Federal agency for this determination. For example, the U.S. Department of Education has issued guidance on this topic for the State Fiscal Stabilization Fund which can be found at <http://www.ed.gov/>.

- 7. Can a State agency be a sub-recipient or vendor of another State agency in relation to Section 1512 reporting?**

A. The general rule is no. If the State distributes funding to entities that are not State agencies, these funds would be reported as sub-recipients or vendors. Under this approach, movement of money between State agencies would not be separately reported into FederalReporting.gov. As the State awards monies to non-State entities, either as a sub-recipient or vendor, the additional reporting requirements would become applicable and direct recipients to visit the Federal agency websites for more information.

However, several Federal agencies have identified exceptions to this general rule. Those Federal agencies have published additional guidance on these exceptions on their respective websites. OMB will compile a list of exceptions and publish this list to assist recipient reporting.

8. **Have any waivers been granted to allow recipients to report Section 1512 data directly to Federal agencies rather than through the central reporting solution of FederalReporting.gov?**

A. No. Several Federal agencies have requested permission to collect Section 1512 data in addition to other programmatic data that recipients are currently reporting. These data collection efforts however are not meant to replace the recipient reporting into FederalReporting.gov.

9. **If states issue retention bonuses with ARRA funding, are those counted as jobs retained? If states use ARRA dollars for cost of living increases, how would it be calculated with regards to jobs saved and created?**

A: In general, it is important to emphasize that the purpose of the Recovery Act is to create new job opportunities or retain positions which would have otherwise been eliminated due to the unprecedented downturn in the economy. We do not advocate the use of Recovery Act funds for cost of living increases or retention bonuses, nor do we consider these to be appropriate uses of funds.

For the purposes of Recovery Act reporting, we think that it is critical to count all jobs created or saved by the Recovery Act, and only those jobs that were created or saved by the Recovery Act. Therefore, we have developed a methodology whereby only those portions of compensation paid for out of Recovery Act funds count towards the overall job count. For example, if Recovery Act funding constitutes % of the total estimated compensation for hours reported on a full time worker, this would be counted as 0.05 of a job. In order to simplify reporting requirements, this methodology does not distinguish between different forms of compensation. We believe that this methodology will create a simple and transparent reporting system.

10. **If States issue retention bonuses or provide cost of living increases with ARRA funding, are those counted as jobs retained?**

A. In general, it is important to emphasize that the purpose of the Recovery Act is to create new job opportunities or retain positions which would have otherwise been eliminated due to the unprecedented downturn in the economy. We do not advocate the use of Recovery Act funds for cost of living increases or retention bonuses, except where required by law.

While maintaining emphasis on the guidance above, the previously published FAQ on cost of living increases and retention bonuses went on to allow the flexibility to include estimates of such forms of compensation to be included in the total estimates of jobs created and retained by the Recovery Act. Since the time that FAQ was published, OMB has determined that any Recovery funds used for cost of living increases or retention bonuses are to be *excluded from the total number of jobs created and retained* calculation.

## **CLARIFICATION OF M-09-15 GUIDANCE (April 3, 2009)**

1. **Is there flexibility to alter any deadlines outlined in the OMB Guidance?**

A. OMB is accepting Federal agency extension requests for the 20-day and 30-day grants announcement deadlines only (§5.2; p. 33). No other deadline extensions or waivers will be authorized at this time unless otherwise specified in law or guidance. All extension request letters to the OMB Director must include detailed justification and be sent to [recovery@omb.eop.gov](mailto:recovery@omb.eop.gov), OMB's general email address for Federal agencies to send inquiries related to the Recovery Act.

2. **How should agencies account for and report on overhead costs of Recovery funds?**

**A.** Overhead or administrative costs are reported under an award type of "Other" in the weekly reports. Agencies must be prepared to report on the amount or percentage of funds that were spent on administrative activities. This includes funds used to reimburse non-Recovery funding used for Recovery-related administrative activities. The calculation and tracking of overhead costs should follow existing agency practice or guidance an agency develops for its Recovery-related activities.

**3. Will OMB be issuing guidance on the requirement in Section 1511 of the Recovery Act related to the State and local certifications for infrastructure investments?**

**A.** OMB does not plan to issue formal guidance directly to State or local governments, but agencies should seek to do so, as appropriate, for potential infrastructure project funding through their programs. Agencies should monitor State Recovery Act websites to ensure that recipients are complying with Section 1511 and engage State and local governments during the development of any relevant guidance, as practical

**4. What actions must a Federal agency take when it issues guidance for recipients (e.g., State and local governments) regarding the Recovery Act?**

**A.** When a Federal agency issues guidance on the Recovery Act, the agency must immediately post the guidance on the agency's Recovery Act web page. In addition, the agency must disseminate the guidance, to the maximum extent practical, to a broad array of external stakeholders (e.g., Governors, State Legislatures, State program offices, local government officials, etc.) and respond promptly to their queries about the guidance. Federal agencies are encouraged to engage State and local governments during the development of any relevant guidance.

**5. What is the status of the effort to develop government wide standard terms and conditions?**

**A.** OMB established working groups to develop standard terms and conditions to be included within grants, contracts, loans and loan guarantees, or other forms of assistance, as appropriate and in compliance with the Paperwork Reduction Act (PRA). It is expected that these standard terms and conditions will be published in interim final rules or otherwise issued for agency use in March 2009. Agencies intending to finalize award agreement(s) prior to the issuance of the government wide standard should ensure that any agency developed terms and conditions related to the Recovery Act reflect the specific language of the Act and are approved by OMB, if required by the PRA. Agencies should consult OMB's Office of Information and Regulatory Affairs if they are uncertain as to whether the PRA requires OMB approval of agency developed terms and conditions.

**6. Are agencies required to submit major communications, formula block grant allocations, and agency weekly reports via e-mail using the provided standard excel templates? Even if they have successfully implemented an ATOM 1.0 or RSS feed for the same information?**

**A.** Yes. All reporters are required to submit all Recovery Act major communications, formula block grant allocations, and agency weekly reports as described in the OMB Guidance using the referenced excel templates. This is required even if agencies have implemented the feed-based publication approach. Dual reporting is to ensure receipt of information and integration of the same into recovery.gov during this start-up period. OMB will reassess this dual reporting requirement in the Final Guidance.

**7. What are the reporting requirements for Federal agencies that are engaging in Recovery Act-related activities but did not receive Recovery Act funding, and are there any exceptions?**

**A.** Federal agencies receiving Recovery Act funds are subject to the reporting requirements outlined in OMB

guidance to track and monitor all Recovery Act dollars in a manner that provides transparency and accountability for Congress and taxpayers. It is expected that these agencies will incur some incidental costs to be funded through regular appropriations, which are not subject to the reporting requirements. Agencies not receiving Recovery Act funds should not report on incidental Recovery-related expenses that are incurred by normal agency appropriations; however, such agencies should report on any Recovery funding they receive through interagency transfers. There is one exception: Inspectors General are required to report monthly on total funding used for Recovery oversight activities at their respective agencies. This total will include both the Recovery Act funds and the non-Recovery Act funds spent on Recovery oversight activities (i.e., costs absorbed by normal appropriations). This enables a calculation of total dollars spent on Recovery oversight throughout the government.

**8. What are the reporting requirements for Inspectors General that are engaged in oversight of Recovery Act-related activities?**

A. Inspectors General are required to independently report monthly on all obligations for Recovery oversight activities at their respective agencies for both Recovery Act funds and non-Recovery Act funds. Monthly reports must be submitted no later than 5 working days after the last day of the reporting month. This monthly reporting meets all OMB reporting requirements for Inspectors General under the Recovery Act.

**9. Do reporting requirements of the Recovery Act apply to existing, non-Recovery funded activities or contracts when a Federal agency supplements those activities with Recovery funds?**

A. The Recovery Act reporting requirements apply to Recovery funds only and do not extend to existing, non-Recovery funded activities or contracts. In instances where a Federal agency chooses to supplement existing activities or contracts with Recovery funds, only the Recovery funds are reported. An agency's contracting officer should ensure expansions to any existing contracts are amended to meet the Recovery Act reporting requirements.

**10. If the Governor of my State submits a certification under Section 1607, does the Governor also have to submit additional (e.g., agency-specific or program-specific) certifications in order to satisfy Section 1607?**

A. No. Governors are not required to submit more than one certification under Section 1607. Once a Governor submits a Section 1607 certification, no additional agency-specific or program-specific certifications under Section 1607 are required for those States. However, other provisions of the Recovery Act do require additional certifications. For example, section 1511 (infrastructure), section 1201 (transportation grants), section 410 (energy grants), and section 14004 (fiscal stabilization) each require varying forms of additional certifications by State or local entities before they can access specific Federal funds made available under the Act.

## **TECHNICAL RECIPIENT REPORTING SOLUTION FAQ**

### **Registration FAQs**

**1. How do we ensure that only authorized individuals report?**

A. The combination of DUNS number and Award ID during reporting, while not absolute, reduces the likelihood of unauthorized reporting. The sensitivity of the information is considered low.

**2. How long does it take to register?**

**A.** Registration requires only a few basic fields so it should be brief. If recipients need to register in CCR or DUNS that process may increase the time to several days. Advance registration is highly recommended.

**3. Who needs to get a DUNS number?**

**A.** Each entity (except individuals) that receives Recovery Act funds directly or indirectly should have a DUNS number. Prime Recipient Users and Sub Recipient Users of FederalReporting.gov need to know the DUNS number for their organization at the point of registration and reporting. The DUNS number should match the DUNS number on the award document or contract. It's important to note that users only need to register with one DUNS number but can report for multiple DUNS numbers associated with their organization.

**4. My organization has more than one DUNS number. How do I know which DUNS number to enter when I register?**

**A.** You need to provide the DUNS number associated with your award when you register. If no DUNS number is listed on your award document or contract, please go back to your application for award and use the DUNS number you provided to the Federal Agency at that time.

**5. If I am a State central coordinator who will be reporting on behalf of multiple State agencies, which DUNS number do I enter when registering?**

**A.** You may enter a State central DUNS number when registering. However, when reporting, you must submit the report using the DUNS number associated with the award being reported.

**6. What if a registrant's organization doesn't have a CCR/DUNS?**

**A.** That organization will need to complete those steps before registration. This may require several days to complete. Organizations who do not have a DUNS number, should request one through the D&B D-U-N-S Request Service for US Federal Government Contractors and Grantees (<http://fedgov.dnb.com/webform>).

**7. Can multiple individuals register for a recipient/agency?**

**A.** Yes. However the organization must take steps to properly coordinate activities among their registrants.

**8. Can multiple individuals within our organization register as FederalReporting.gov users?**

**A.** Yes, multiple individuals within your Federal Agency or Recipient organization can register as FederalReporting.gov users. You should carefully coordinate your activities within your organization.

**9. What if my organization is a Prime for one award and a Sub for another?**

**A.** Each organization designated recipient reporter only needs to register once, even if the organization has different roles under different awards. Registration is necessary for system access. Information provided during the reporting phase will establish Prime/Sub relationships for each report.

**10. Will I be able to register during the reporting period (October 1-10)?**

**A.** Yes. Registration will be open throughout the recipient reporting cycle. Advance registration is highly recommended since external prerequisites could take as long as 8 days.

**Reporting FAQs****1. Will the system pre-populate information from other systems?**

A. No. The initial release of FederalReporting.gov will focus on core functions. Additional features such as pre-population may be considered for future releases.

**2. How will Prime Recipients delegate reporting to Sub Recipients?**

A. Prime recipients must delegate reporting authority to sub recipients outside the system. Prime and sub recipients will need to coordinate their actions to ensure the most accurate information is submitted. Ultimately the Prime recipient is responsible for the information submitted.

**3. What happens if multiple reports are submitted for an award (or sub award)?**

A. The last report submitted is considered the final report. After October 10 previous versions will be maintained for audit purposes. Clear coordination among and within prime and sub recipients is critical.

**4. Will I get a confirmation of my report submission?**

A. Yes. Report submission is a two stage process. The system will confirm initial submission immediately. The system will perform a validation on the spreadsheet and XML extracts to ensure that the data conform with standards. A separate confirmation will be sent that indicates system compatibility and formal acceptance.

**5. How are Prime and Sub Recipient Reports related in the solution?**

A. Prime and Sub recipient awards are related principally through award and sub award numbers.

**6. The "Primary Place of Performance" is a mandatory data element requiring recipients to identify a single geographical location. How should a State's recipient report reflect those instances where a Federal award has more than one place of performance (i.e., funds are used various project across the entire State)?**

A. The State should list the municipality impacted by the largest portion of the Recovery Act award. In the event that it is not possible to determine a single place that is receiving more award funds than others, the State should list the State capitol as the primary place of performance.

For example, State A receives a Federal transportation award that will also be used to pave highways across the State. The impact of the planned projects is that highways will be paved in 10 separate localities within the States, where the cost of a project at Local Municipality C will take up 50% of the entire award, the cost of a second local project at Local Municipality D will take up 30% of the entire award, and the cost of the remaining 8 local projects will be funded with the remaining 20% of funds and the cost for each project will be approximately equal. In this case, the State recipient should report Local Municipality C as the primary place of performance. If, however, the impact of the planned project is that highways will be repaved in 10 separate localities within the State, with the cost of each being approximately equal, the State should list its capitol as the primary place of performance.

**7. Can a recipient choosing to use the XML export option submit a bulk extract containing multiple reports for multiple awards?**

A. No. FederalReporting.gov does not support the ability to bulk upload a single XML file containing

multiple prime recipient awards. The Data Model along with the supplemental XML/XSD published June 25, 2009, only supports the submission of one prime recipient award per XML file. The recipient reporting will be prompted for the FRPIN of the DUNS number when submitting the report. FederalReporting.gov will provide the ability to upload multiple individually packaged XML files for a single DUNS number. In the case that a prime recipient is submitting on behalf of their sub recipients, the prime will be able to submit reporting data for multiple sub recipients in conjunction with the single prime award. This functionality mirrors that of the Excel file provided.

**8. Can I modify the Spreadsheet structure?**

**A.** No. Modifying the spreadsheet will break the XML binding and produce data that will not validate with the system.

**9. How do you know all reports are submitted?**

**A.** The system enables reporting but is not currently designed as a management system. Agencies will be able to identify and review submitted reports in the system.

**10. Can reports be modified after October 10?**

**A.** Yes. Reports can be updated through 21 days after the end of the quarter but changes are tracked through version control. After day 21 reports can only be unlocked by Federal agencies based on identified issues.

**11. Are previous versions stored in the system?**

**A.** Yes. After October 10 all changes to reports are maintained through version control.

**12. Will recipients be able to check their XML formatted submissions in advance (to facilitate system output configuration)?**

**A.** Yes. A service for validating the XML structure of XML extract files will be provided to help recipients configure and check their system output in advance.

**13. Why does the system use MPIN? How is that information used/protected?**

**A.** The current system design no longer requires the input of MPIN.

**14. If recipients can modify submitted reports are reports submitted prior to 10 days after the end of the quarter considered draft?**

**A.** No. Reports are expected to be complete and accurate when submitted within the timelines indicated in the ARRA. While changes are possible after this date those changes are logged and may be used for audit purposes.

**15. What is the difference between a sub recipient and a vendor?**

**A.** The key difference between a sub-recipient and a vendor is that sub-recipient activities directly execute the mission, whereas vendors provide products or services that indirectly support the mission. Data requirements for reporting vendor information are reduced and vendors cannot be delegated reporting responsibility.

**16. Can ARRA 1512 reporting be combined with existing reporting structures?**

A. No. FederalReporting.gov currently operates as an ARRA reporting specific solution. Future modifications may enhance reporting capability and ensure consistency across systems and ease reporting burden.

**Report Review FAQs****1. Can recipients modify reports after October 21?**

A. Yes, but only after a reviewing Federal agency identifies an issue to be resolved.

**2. What happens if an error is discovered after October 30?**

A. That error is updated on the next quarterly report since all reports are cumulative.

**3. Will agencies verify that corrections are made?**

A. No. Due to the short review timeframes agencies may not be able to confirm that corrections have been made by the final posting date (October 30). Some agencies however may have this capability.

**4. What happens if an agency doesn't review all reports by the final posting date?**

A. The reports that weren't reviewed will be posted and the condition indicated as "Not reviewed."

**5. Who is responsible for ensuring reports are complete and accurate?**

A. The primary responsibility rests with the prime recipient. Agencies are expected to perform some level of additional review but are not expected to validate the accuracy of the information provided.

**6. Who can engage in review activities?**

A. Prime recipients may review reports of sub recipients associated with their awards. Federal Agencies can review reports based on their awards.

**7. How will the system support the identification and communication of any identified reporting issues?**

A. The system will provide search capability to find individual reports. Agencies will be able to download XML extracts based on Agency program grouping. When an issue is identified the reviewer will open a comment page that pre-populates the reviewer name and contact information and the report submitter name and contact information. A text box will appear that allows the reviewer to indicate the nature of the issue identified. This information is sent via email to the reporter and is appended to the report. For agency reviews (occurring day 22-29 after the end of the quarter) this also unlocks the file for editing. Once again the changes are maintained through internal version control.

**Outbound Reporting FAQs****1. What information from submitted reports will be available on Recovery.Gov?**

A. Some form of all reports will be available for download.

**2. Who can access this information?**

A. Once posted to Recovery.Gov this information is public and anyone with access to the Internet can access this information.

**3. How will the information be used?**

A. The information may be used for a variety of currently known purposes including compliance with award conditions, detection of waste, fraud and abuse, management oversight, or other specific government functions. The information may also be used by any of a number of purposes by public or academic parties for independent analysis or reporting. This information enhances transparency.

**4. What happens if errors are discovered after the final information is posted to Recovery.Gov?**

A. The information will be corrected during the next reporting cycle since reports are cumulative.

**5. Will any data be excluded from posting?**

A. No, with very limited exceptions. Particularly egregious examples of prohibited speech or reports which contain sensitive information may be excluded from publication until those issues are resolved.

**Timing and Support FAQs****1. When will the MS-Excel template be available?**

A. It will be provided no later than August 10, 2009. We also plan on having the final XML schema structure at this time.

**2. Will there be modifications to the data model?**

A. We have identified a few inconsistencies and issues that need to be addressed. We anticipate that the data model will be locked for this reporting period by August 5, 2009. The current model is between 95-98% complete.

**3. When will the XML validation service be available?**

A. The XML validation service is targeted for completion by September 15.

**4. Who do I contact if I have a problem with reporting?**

A. The first point of contact for recipient reporting problems should be the ARRA Recipient Reporting Service Desk available through the FederalReporting.Gov Web site. The service desk has established escalation procedures to elevate particularly difficult problems for resolution. Information provided outside this channel may or may not solve your problem.

**5. When will the Service Desk become operational?**

A. The service desk will become operational on August 17 in conjunction with the opening of FederalReporting.Gov registration.

**6. Where are the technical recipient data reporting materials (e.g., spreadsheet templates and XML schema) located?**

A. The technical data reporting materials, including the data dictionary, the spreadsheet templates and XML schema are located on Recovery.gov here: <http://www.recovery.gov/?q=content/recipient-reporting>. Please note that the Supplement 2, Recipient Reporting Data Model, provided with the OMB M-09-21 Guidance on recipient reporting is identical to the data dictionary provided at the link above on Recovery.gov, and it is located on the White House website here: [http://www.whitehouse.gov/omb/assets/memoranda\\_fy2009/m09-21-supp2.pdf](http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-21-supp2.pdf).

7. **In addition to the technical data reporting materials on [www.Recovery.gov](http://www.Recovery.gov), will there be any other materials available to assist recipients in preparing their first Section 1512 Recipient Reports?**

A. Each Federal agency will, using the standard spreadsheet template, prepare a "sample" recipient reporting template for each of its Recovery Act programs to assist recipients who are preparing their first S.1512 reports. The Supplement 1 to M-09-21 List of Programs Subject to Recipient Reporting ([http://www.whitehouse.gov/omb/assets/memoranda\\_fy2009/m09-21-supp1.pdf](http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-21-supp1.pdf)) contains the list of Federal Recovery programs subject to S.1512. These "sample" templates must be completed and posted on the Federal agency's website no later than August 28, 2009.

## STATE NOTIFICATIONS OF FEDERAL AWARDS

1. **What information should Federal agencies already be providing to States on contract and grant awards?**

A. Agency contract and grant awards are available on Recovery.gov (and USAspending.gov). On Recovery.gov, the award information is visible via mapping capabilities on the Recovery.gov site which pinpoints the location of the awardees and provides additional descriptive detail on the awards. Also, detailed information on Federal contract awards is posted publicly on <https://fpds.gov/> within 72 hours of award (at a unique link titled *American Recovery and Reinvestment Act Report*).

2. **Will there be additional information that Federal agencies will need to provide on these awards to the States?**

A. Yes, because there is a timing delay between when Federal agencies make discretionary grant awards and when the awards are available for public view, we are implementing a new requirement to notify States within 48 hours of grant awards. This requirement is effective August 28, 2009. Federal agencies were provided a list of recovery coordinators across the 50 States, the District of Columbia, Commonwealths and Territories to send these notices as well as the details on what the notification should include. States will be sent a separate email with the contract information posted on <https://fpds.gov/> on a daily basis.

## RECOVERING STATE ADMINISTRATIVE COSTS

1. **OMB Memo 09-18, Payments to State Grantees for Administrative Costs of Recovery Act Activities, provides the State two alternatives under the current Statewide Cost Allocation Plan process to collect funds in a timelier manner for ARRA administrative activities (<http://www.whitehouse.gov/omb/asset.aspx?AssetId=1194>). It mentions that the budget or estimated cost should not be in excess of 0.5 percent of the total Recovery Act funds received by the State. How is the half percent cost limitation calculated? Will it be based on the total dollars received by the State or will it be calculated for each grant?**

A. The half percent is based on the total dollars received by the State and where the State serves as the prime recipient of the programs. The half percent represents the limit that the State can include as

estimated or budgeted costs of ARRA oversight administrative costs in the Statewide Cost Allocation Plan that accounts for centralized service costs for individual programs. It does not represent an automatic charge of half percent to all ARRA programs for State oversight administrative costs.

2. **Is the half percent only for the additional cost related to reporting and does not apply to the normal administration associated with administration of Federal grants?**

A. The half percent covers additional administrative costs related to the ARRA requirements such as oversight, reporting and audit requirements. It does not include normal administration costs such as existing general administrative costs or other program specific administrative costs.

3. **Is there any mechanism for additional recoveries if the half percent is insufficient to perform the required oversight, reporting and auditing associated with these grants?**

A. No, the half percent is the limit for ARRA administrative costs. For example, if a State receives \$5 billion in ARRA funds, the limit for ARRA administrative costs will be \$25 million.

4. **Some ARRA programs have limitations on the recovery of administrative costs, does the OMB memorandum give States the authority to collect reimbursements for administrative costs based on an approved Statewide Cost Allocation Plan (SWCAP)?**

A. No, the OMB Memorandum does not supersede the specific limitations or restrictions on administrative costs recovery included in some ARRA programs.

5. **Can the counties and local governments claim the half percent for their administrative costs related to ARRA activities?**

A. While the OMB memorandum only mentions State grantees, counties and local governments receiving Recovery Act funds directly can use the same methodologies described in the memorandum to recover administrative costs related to carrying out Recovery Act programs. Therefore, counties and local governments can include budgeted or estimated costs related to the administration of the Recovery Act in its Cost Allocation Plan (prepared in accordance with OMB Circular A-87, Cost principles for State, Local and Indian Tribal Governments) to recoup these costs on a more timely basis. The budgeted or estimated cost amount should not be in excess of .5 percent of total Recovery Act funds received directly by the county or local government (excluding pass-through Recovery Act funds received from the State). The local governments should prepare their proposals and keep them on file, unless their cognizant agency specifically requests submission of the proposal.

6. **What is the process for States to recover the administrative costs related ARRA activities?**

A. The State must submit and receive approval of a supplemental ARRA SWCAP from the U.S. Department of Health & Human Services, Division of Cost Allocation (DCA) prior to claiming these costs on any ARRA programs. The supplemental ARRA SWCAP identifies the central service costs incurred for ARRA administrative costs. Once the SWCAP is approved, these costs can be billed directly to the ARRA programs (as Section II- Billed Costs) or included in an ARRA supplement to the Department indirect cost rate (as Section I - Centralized Service Costs). The DCA has posted on its website (<http://rates.psc.gov/>) a set of FAQs with detail information on the submission and approval processes of the SWCAP.

## **GENERAL RECOVERY ACT FAQ**

1. **Can Recovery Act funds be used to implement energy and water efficiency improvements though**

**existing Utility Energy Service Contracts?**

A. Nothing in the Recovery Act or OMB's implementing guidance prohibits agencies from using Utility Energy Service Contracts (UESCs) - either UESCs that were in existence when the Act was enacted or new UESCs. Therefore, it is appropriate for Federal agencies to carefully consider UESCs when implementing energy and water improvements at Federal facilities with Recovery funds.

**2. Will the Weekly Financial Activity Report continue to be cumulative after September 30, 2009, or will the report start a new reporting period on October 1 for fiscal year 2010?**

A. The weekly Financial Activity Report will continue to be cumulative after September 30, 2009. Note that OMB will most likely be publishing further guidance to assist agencies through the reporting process to address the fact that September 30 falls in the middle of a reporting week.

**3. To what extent do Recovery Act funded projects need to comply with environmental reviews or assessments?**

A. There is nothing in the Recovery Act that changes any existing environmental protection and preservation laws or regulations. Agencies should take measures to ensure Recovery funded projects and activities are in compliance with environmental review and related statutes, such as the National Environmental Policy Act, the Endangered Species Act, the National Historic Preservation Act. Agency Recovery Act project planning should include adequate time to conduct environmental reviews and ensure compliance with these laws. Early discussions with regulatory agencies, such as the Fish and Wildlife Service with regards to compliance with the Endangered Species Act, will help avoid unexpected delays in carrying out Recovery Act projects.

**4. Have the guidelines for lobbyist contact regarding Recovery Act projects been updated?**

A. Yes. You can review the updated guidelines at: <http://www.whitehouse.gov/omb/asset.aspx?AssetId=1527>.

**5. I understand that pursuant to the updated guidance, there are generally supposed to be no oral conversations (with some exceptions) concerning pending applications for competitive funding under the Recovery Act. Can there be written communications and should these be posted online?**

A. Yes, there can be written communications concerning pending applications and those communications should, consistent with law, regulation and agency guidelines, be promptly (i.e., within 3 working days) posted on the agency's website containing disclosures of Recovery Act communications.

**6. To what extent does the Recovery Act preserve access to Federal contracts and procurement opportunities for women- and minority-owned businesses?**

A. There is nothing in the Recovery Act that changes any existing Federal laws or regulations in place dedicated to establishing or fostering the growth of women- or minority-owned businesses. Moreover, as noted more fully in Section 1.6 of OMB's Initial Implementing Guidance to agencies for the Recovery Act, dated February 18, 2009, the Executive Branch shall distribute Recovery Act funds in accordance with all anti-discrimination and equal opportunity statutes, regulations, Executive Orders, and policies that apply to the expenditure of funds under Federal contracts, grants, cooperative agreements, loans, and other forms of Federal assistance. Generally applicable civil rights laws also continue to apply.

**7. Does the Buy America provision under Section 1605 of ARRA apply to the construction, alteration,**

**maintenance, or repair of a facility undertaken by a state college or university with ARRA funds?**

**A.** In answering this question, the first point that needs to be addressed is whether the facility is/will be government-owned or privately-owned.

If the facility is/will be privately-owned, then the ARRA Buy America provision will not apply to it, because it will not be a "public building or public work."

However, if the facility is/will be government-owned, then the ARRA Buy America provision will apply to the facility (as a "public building or public work") unless such application would not be "consistent with United States obligations under international agreements" under Section 1605(d) of ARRA or another exemption under Section 1605 applies.

The applicability of Section 1605(d) to state colleges and universities depends on whether U.S. obligations under international agreements apply to the particular state college or university. The Appendix to 2 CFR Part 176 subpart B lists U.S. States, Other Sub-Federal Entities, and Other Entities Subject to U.S. Obligations under International Agreements. The Appendix delineates, by State, where U.S. obligations apply to state colleges and universities. For example, the Appendix explicitly indicates that, for Delaware, the international agreements extend to state colleges and state universities. That means the "buy American" requirement does not apply to Delaware state colleges and state universities. Conversely, the Appendix does not indicate that international agreements apply to state colleges and universities in Florida. That means that the "buy American" requirement would apply to the construction, alteration, maintenance or repair of a government-owned facility undertaken by a Florida state college or university with ARRA funds.

## **CLARIFICATION ON AGGREGATION OF RECIPIENT REPORTS**

Section 2.4 of OMB Guidance M-09-21 (June 22, 2009) allows prime recipients to aggregate reports in three instances: (1) sub-awards less than \$25,000; (2) sub-awards to individuals; and (3) payments to vendors less than \$25,000.

**1. Are prime recipients receiving awards under \$25,000 required to submit S.1512 recipient reports into the FederalReporting.gov solution?**

**A.** No. Prime recipients of Recovery Act funds for awards below the \$25,000 threshold are not required to submit recipient reports; however, prime recipients issuing sub-awards are required to report these in aggregate. It is important to note that the Federal agencies are currently and will continue to report the aggregate totals of the obligations and outlays for these awards. The Federal agency reporting is available on <http://www.recovery.gov/>.

**2. Though the M-09-21 Guidance allows aggregate reporting for sub-awards less than \$25,000, sub-awards to individuals, and payments to vendors less than \$25,000, are prime recipients *required* to submit aggregate reports? Or can prime recipients choose to submit separate, distinct records for each sub-award?**

**A.** Prime recipients must submit aggregate reports on all sub-awards to individuals. However, prime recipients are not required to aggregate its awards for instances where sub-awards are less than \$25,000 and where payments to vendors are less than \$25,000.

**3. How should aggregated reports for sub-awards below the \$25,000 threshold be treated when modifications to single sub-awards are subsequently increased and result in a total sub-award amount to cross the \$25,000 threshold? For example, a prime recipient can include a \$17,000 award**

into its aggregate report, but the award is modified to reflect an additional \$10,000, which makes the award total \$27,000.

A. In general, if an award initially reported in aggregate is subsequently modified to exceed \$25,000, the prime recipient should remove the amount initially reported from the aggregate reporting data field and report the total award in the disaggregate (i.e., in a separate record) for the reporting quarter following the modification; however, reporting for award modifications should continue to be consistent with the current processes for those prime recipients covered under any existing rules or regulations (e.g., any State or local laws governing such modifications).

4. Do I need to disaggregate payments to vendors under \$25,000, paid in a previous quarter, if I reach the \$25,000 threshold through additional payments in subsequent quarters?

A. The guidance published on June 22, 2009 (M-09-21) *allows* recipients to aggregate payments to vendors less than \$25,000. The guidance *does not require* recipients to aggregate this information, therefore, recipients may also choose to disaggregate and report all vendors separately.

If a recipient chooses to aggregate this information in a previous quarter, additional vendor payments in subsequent quarters will not automatically trigger the \$25,000 threshold and require disaggregated reporting for that vendor. The \$25,000 *threshold* is triggered by individual payments to a vendor within a quarter and not cumulative payments to a vendor over the life of the project. However, the number of aggregated vendor payments and associated dollars should be reported cumulatively in the respective data elements.

For example, if a vendor receives a payment for \$17,000 in Q1 and receives another payment for \$17,000 in Q2, the vendor does not have to be separately reported in Q2 because the cumulative amount paid over the two quarters exceeds \$25,000. The vendor payments in this example can be aggregated in both Q1 and Q2, since the individual payments in each quarter fall under the threshold of \$25,000.

If using the same example, but both payments occur within the same quarter, the vendor payments can still be aggregated. For example, if a vendor receives a payment for \$17,000 in Q1 from State agency A and \$17,000 in Q1 from State agency B, the vendor does not have to be separately reported in Q1 since the individual payments fall under the threshold of \$25,000.

## SINGLE AUDIT REQUIREMENT AND CLARIFICATIONS

1. What Single Audit report information will be displayed on Recovery.gov, as required by Section 1526 of the Recovery Act that requires the public display of audit findings?

A: Recovery.gov will provide a link to the Federal Audit Clearinghouse (FAC), the Single Audit submission portal for all Federal financial assistance recipients, including those with Recovery Act awards. Currently, the FAC displays data submitted by Federal award recipients in the Form SF-SAC reporting document. All recipients of Recovery Act awards are required to identify Recovery Act funds separately in the Form SF-SAC.

For Single Audits for fiscal years ending on or after September 30, 2009, the FAC will create and make public a report of audit findings associated with Recovery Act awards. The report will present data currently available in the FAC for non-Recovery Federal financial assistance but in a different format. The Recovery report will be based on data reported in the Form SF-SAC and will identify the following:

- o Name of the audited entity,
- o Fiscal year ending date of the report, and
- o If there are audit findings for Recovery Act awards, the report will include a description of the type of compliance requirement(s) associated with the audit finding(s).

The Recovery report will not include information about audit findings associated with funds from non-Federal awards or other sources of revenue because this information is not reported in the Form SF-SAC.

More information on Single Audit reports with Recovery Act funding can be located on the Federal Audit Clearinghouse website (<http://harvester.census.gov/fac>).

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<http://www.whitehouse.gov/omb/>