

ALABAMA WORKFORCE INVESTMENT SYSTEM

Alabama Department of Economic and Community Affairs
Workforce Development Division
401 Adams Avenue
Post Office Box 5690
Montgomery, Alabama 36103-5690

November 6, 2012

GOVERNOR'S WORKFORCE DEVELOPMENT DIRECTIVE NO. PY 2010-16

SUBJECT: Sub-award and Executive Compensation Data Reporting Requirements Under the Federal Funding Accountability and Transparency Act (FFATA)

1. Purpose To inform all Employment and Training (ETA) workforce system agencies of additional Office of Management and Budget (OMB) reporting requirements under the FFATA effective October 1, 2010 per Training and Employment Guidance Letter (TEGL) No. 11-10. (See attached.)

2. Discussion The FFATA requires full disclosure to the public of Federal spending information by all entities and organizations receiving Federal funding under Federal grant awards. The intent of the Act is to: 1) have Federal spending information available to the public; 2) make the information easily accessible; and 3) reduce wasteful spending by the Federal government. As required by FFATA and subsequent OMB guidance, recipients of Federal awards are required to report sub-award and executive compensation information for certain entities and organizations. The legislation also requires information about Federal awards to be made available to the public via a single searchable website. USASpending.gov has been designated as the website to be used to display data about grants, loans, cooperative agreements and other forms of Federal financial assistance.

The FFATA Sub-award Reporting System (FSRS) is the reporting system used by the Federal prime awardees to electronically report first tier sub-award information and executive compensation. The FSRS started accepting sub-award and executive compensation data on October 29, 2010. The sub-award information entered into FSRS by the prime awardee will be accessible on www.USASpending.gov.

3. Action **Federal Grant Awardees Subject to the Sub-award and Executive Compensation Reporting Requirements:**

Under the April, 6, 2010, OMB Memorandum, entitled: Open Government Directive – Federal Spending Transparency, all direct recipients (prime recipients) of Federal grants and cooperative agreements with an award date on or after October 1, 2010, fall under FFATA reporting requirements. Prime recipients of Federal grants and cooperative agreements will be required to report sub-award information and executive compensation information, including the total compensation and names of

the top five executives of the prime recipient and of the first tier subrecipients in the FSRS database.

The FFATA reporting requirements apply to grants and cooperative agreements that are equal to or over \$25,000. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award will be subject to the reporting requirements as of the date the award equals or exceeds \$25,000. If the initial award equals or exceeds \$25,000 but funding is subsequently de-obligated such that the total award amount falls below \$25,000, the award continues to be subject to the reporting requirements.

For ETA, this means new Federal grants and cooperative agreements awarded on or after October 1, 2010, where the funding is equal to or over \$25,000 are subject to the sub-award and executive compensation reporting requirements.

When Are Prime Grant Awardees to Report Sub-award and Executive Compensation Information?

To meet the FFATA reporting requirement, the prime recipient must report information related to a sub-award by the end of the month following the month the sub-award is obligated.

Systems Registrations Required by the FFATA

All grantees subject to the reporting requirements must register with the following systems:

- FSRS
- Dun and Bradstreet, Data Universal Numbering System (DUNS)
- Central Contractor Registration System (CCR)

Instructions on registration with DUNS and CCR were provided in TEGL 29-08 (attached).

Instructions for registering with FSRS are available on <https://www.fsrs.gov/>.

Federal Awards That Are Not Subject To the FFATA Reporting Requirements

- Under the August 27, 2010, OMB Memorandum, entitled: Open Government Directive – Federal Spending Transparency and Sub-award and Compensation Data Reporting, new or existing grants that are funded by the American Recovery and Reinvestment Act are not subject to FFATA reporting requirements. These awards and related sub-awards will continue to be reported through FederalReporting.gov.
- The following types of awards also are not subject to FFATA and are not normally used by ETA, but the information is included to provide complete OMB requirements:
 - Transfers of title between Federal agencies of Federally owned property;
 - Federal inter-agency transfers of award funds;
 - Cooperative Research and Development Agreements (CRDA)
 - Federal awards to individuals who apply for or receive Federal awards as natural persons (i.e., unrelated to any business or non-profit organization he or she may own or operate in his or her name);

- Federal awards to entities that had a gross income, from all sources, of less than \$300,000 in the entities' previous tax year; and
- Federal awards, if the required reporting would disclose classified information.

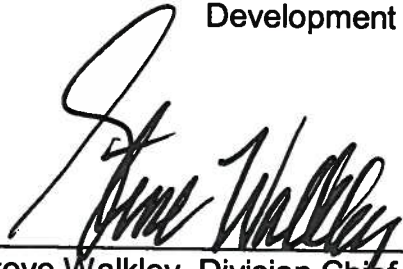
Action Requested

All affected grantees must report in accordance with OMB established guidelines and timeframes.

As a Federal prime awardee for the Workforce Investment Act, ADECA, Workforce Development Division, State Reporting/Technical Assistance Section will be issuing a change to this GWDD to provide detailed guidance for the reporting of required sub-award data to the WDD, which will actually do the required reporting for the statewide WIA Title 1-B program.

4. Contact

Questions regarding this TEGL should be directed to Tammy Farmer, Workforce Development Division at Tammy.Farmer@ADECA.Alabama.gov or (334) 242-5154.



Steve Walkley, Division Chief
ADECA, Workforce Development Division

Attachments:

- TEGL 11-10
- TEGL 29-08

| | |
|---|---|
| EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210 | CLASSIFICATION Reporting/Subaward/Executive Compensation |
| | CORRESPONDENCE SYMBOL OFAM/OGCM |
| | DATE November 15, 2010 |

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 11-10

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS
ALL STATE AND LOCAL WORKFORCE BOARDS
ALL DIRECT ETA GRANT RECIPIENTS

FROM: JANE OATES /s/
Assistant Secretary

SUBJECT: Sub-award and Executive Compensation Data Reporting Requirements
Under the Federal Funding Accountability and Transparency Act (FFATA)

1. Purpose. To inform all Employment and Training (ETA) workforce system agencies of additional Office of Management and Budget (OMB) reporting requirements under the FFATA effective October 1, 2010.

2. References.

- The Federal Funding Accountability and Transparency Act of 2006, Public Law 109-282, 120 Stat. 1186, S. 2590 (enacted September 26, 2006) and subsequent 2008 amendments 31 USC 6101
- Memorandum for Senior Accountable Officials Over the Quality of Federal Spending Information, dated April 6, 2010, Open Government Directive – Federal Spending Transparency:
http://www.whitehouse.gov/sites/default/files/omb/assets/open_gov/OpenGovernmentDirective_04062010.pdf
- Memorandum for Senior Accountable Officials, dated August 27, 2010, Open Government Directive – Federal Spending and Transparency and Compensation Data Reporting
http://www.whitehouse.gov/sites/default/files/omb/open/Executive_Compensation_Reporting_08272010.pdf
- 75 Fed. Reg. 55663, (Sept 14, 2010), Requirements for Federal Funding Accountability and Transparency Act Implementation (Interim final guidance)
- 75 Fed. Reg. 55671, (Sept 14, 2010), Financial Assistance Use of Universal Identifier and Central Contractor Registration
- Training and Employment Guidance Letter (TEGL) No. 29-08, dated June 10, 2009

3. Background. The FFATA requires full disclosure to the public of Federal spending information by all entities and organizations receiving Federal funding under Federal grant

| | |
|----------------------------|--------------------------------------|
| RESCISSIONS None | EXPIRATION DATE Continuing |
|----------------------------|--------------------------------------|

awards. The intent of the Act is to: 1) have Federal spending information available to the public; 2) make the information easily accessible; and 3) reduce wasteful spending by the Federal government. As required by FFATA and subsequent OMB guidance, recipients of Federal awards are required to report sub-award and executive compensation information for certain entities and organizations. The legislation also requires information about Federal awards to be made available to the public via a single searchable website. USASpending.gov has been designated as the website to be used to display data about grants, loans, cooperative agreements and other forms of Federal financial assistance.

The FFATA Sub-award Reporting System (FSRS) is the reporting system used by the Federal prime awardees to electronically report first tier sub-award information and executive compensation. The FSRS started accepting sub-award and executive compensation data on October 29, 2010. The sub-award information entered into FSRS by the prime awardee will be accessible on www.USASpending.gov.

4. Requirements.

A. Federal Grant Awardees Subject to the Sub-award and Executive Compensation Reporting Requirements

Under the April, 6, 2010, *OMB Memorandum, entitled: Open Government Directive – Federal Spending Transparency*, all direct recipients (prime recipients) of Federal grants and cooperative agreements with an award date on or after October 1, 2010, fall under FFATA reporting requirements. Prime recipients of Federal grants and cooperative agreements will be required to report sub-award information and executive compensation information, including the total compensation and names of the top five executives of the prime recipient and of the first tier sub-recipients in the FSRS database.

The FFATA reporting requirements apply to grants and cooperative agreements that are equal to or over \$25,000. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award will be subject to the reporting requirements as of the date the award equals or exceeds \$25,000. If the initial award equals or exceeds \$25,000 but funding is subsequently de-obligated such that the total award amount falls below \$25,000, the award continues to be subject to the reporting requirements.

For ETA, this means new Federal grants and cooperative agreements awarded on or after October 1, 2010, where the funding is equal to or over \$25,000 are subject to the sub-award and executive compensation reporting requirements.

B. When Are Prime Grant Awardees to Report Sub-award and Executive Compensation Information?

- To meet the FFATA reporting requirement, the prime recipient must report information related to a sub-award by the end of the month following the month the sub-award is obligated. Below are two examples:
 - For a grant awarded on October 2, 2010, the prime recipient has until November 30, 2010, to report the sub-award and executive compensation information.
 - For a grant awarded on October 31, 2010, the prime recipient has until November 30, 2010, to report the sub-award and executive compensation information.

C. Systems Registrations Required by the FFATA

All grantees subject to the reporting requirements must register with the following systems:

- FSRS
- Dun and Bradstreet, Data Universal Numbering System (DUNS)
- Central Contractor Registration System (CCR)

Instructions on registration with DUNS and CCR were provided in TEGL 29-08.

Instructions for registering with FSRS are available on <https://www.fsrs.gov/>.

D. Federal Awards That Are Not Subject To the FFATA Reporting Requirements

- Under the August 27, 2010, OMB Memorandum, entitled: *Open Government Directive – Federal Spending Transparency and Sub-award and Compensation Data Reporting*, new or existing grants that are funded by the American Recovery and Reinvestment Act are not subject to FFATA reporting requirements. These awards and related sub-awards will continue to be reported through FederalReporting.gov.
- The following types of awards also are not subject to FFATA and are not normally used by ETA, but the information is included to provide complete OMB requirements:
 - Transfers of title between Federal agencies of Federally owned property;
 - Federal inter-agency transfers of award funds;
 - Cooperative Research and Development Agreements (CRDA)
 - Federal awards to individuals who apply for or receive Federal awards as natural persons (i.e., unrelated to any business or non-profit organization he or she may own or operate in his or her name);
 - Federal awards to entities that had a gross income, from all sources, of less than \$300,000 in the entities' previous tax year; and
 - Federal awards, if the required reporting would disclose classified information.

E. Webinar – Sub-award and Executive Compensation Reporting

A webinar is scheduled for November 16, 2010, from 1:00 pm - 2:00 pm to provide an overview of the new OMB reporting requirements and the FSRS reporting system.

Registration details are available at <https://www.workforce3one.org>.

F. Questions

In order to provide answers to more frequently asked questions, ETA has established an email account for FFATA related inquiries: FFATA.reporting@dol.gov. ETA grantees with questions about FFATA reporting should submit inquiries to FFATA.reporting@dol.gov. Replies will come from the same mailbox address as soon as answers are available.

5. Action Requested. All affected grantees must report in accordance with OMB established guidelines and timeframes.

6. Inquiries. Questions concerning this advisory should be directed to your appropriate Regional Office.

| | |
|---|---|
| EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210 | CLASSIFICATION ARRA/DUNS/CCR |
| | CORRESPONDENCE SYMBOL OFAM/OGCM |
| | DATE June 10, 2009 |

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 29-08

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS
STATE WORKFORCE ADMINISTRATORS
STATE AND LOCAL WORKFORCE INVESTMENT BOARDS

FROM: DOUGLAS F. SMALL /s/
Deputy Assistant Secretary

SUBJECT: Dun & Bradstreet (D&B) Data Universal Numbering System (DUNS)
Number/Central Contractor Registration (CCR) Mandatory Requirement for
Federal Grant Sub-recipients under the American Recovery and Reinvestment
Act of 2009

1. **Purpose.** To inform the workforce system of the mandatory requirement for sub-recipients, i.e., any first-tier subcontract or sub-award funded in whole or in part under the American Recovery and Reinvestment Act of 2009 (Recovery Act), to obtain a DUNS number www.dnb.com. Any such sub-recipient must also establish and maintain active and current profiles in the CCR at www.ccr.gov.

2. **References.**

- The American Recovery and Reinvestment Act of 2009, Public Law 111-5
- The Office of Management and Budget (OMB) Implementing and Updated Guidance for the American Recovery and Reinvestment Act of 2009, dated February 18 (OMB# M-09-10) and April 3, 2009 (OMB# M-09-15)
- Federal Register Notice, Vol. 74, No. 61, Wednesday, April 1, 2009
- Training and Employment Guidance Letter No.17-08

3. **Background.** Pursuant to the Recovery Act, Division A, Section 1512(h), recipients of Recovery Act funds must be registered in the CCR database at www.ccr.gov. To register in the CCR database, the Federal Acquisition Regulation requires that an entity have a valid DUNS number. Because recipients must report information on their first-tier contracts and awards, the OMB guidance referenced in Section 2 also requires that sub-recipients register their DUNS number in CCR as a way to help ensure consistent reporting of data about each entity, thereby making the data more useful to the public. Without this requirement, multiple recipients doing business with the same entity may use different variations of the entity's name, address, or parent organization when they each report on their awards to the entity.

| | |
|----------------------------|--------------------------------------|
| RESCISSIONS None | EXPIRATION DATE Continuing |
|----------------------------|--------------------------------------|

OMB has determined that there is a need for improved statistical tracking of Federal grants, cooperative agreements, and loans, posed by the Recovery Act's transparency and accountability framework. Use of a DUNS number will provide a means to identify entities receiving Federal awards. The DUNS number will be used for tracking purposes and to validate address and point of contact information. The DUNS number is already used by the Federal government to identify entities receiving Federal contracts and grants.

4. Applicability. The DUNS/CCR requirement applies to all types of entities including direct recipients applying for Federal grants, cooperative agreements, or loans under the Recovery Act programs or activities and sub-recipients receiving funds under such awards. Under this requirement, a sub-recipient is defined as a non-Federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program or activity, but does not include an individual that is a beneficiary of such a program. A sub-recipient may also be a recipient of other Federal awards directly from a Federal awarding agency. Recipients and sub-recipients must also maintain current registrations in CCR at all times during which they have active Federal awards funded with Recovery Act funds.

5. Action Requested. There are two new requirements for entities that anticipate being a sub-recipient of Recovery Act funds for Federal grants, cooperative agreements, or loans: 1) obtaining a DUNS number, and 2) registering with the CCR.

a. Obtaining a DUNS number. The first requirement is that sub-recipients must obtain a DUNS number in advance of a specific award. A DUNS number is a unique nine-character identification number provided by the commercial company D&B. Each sub-recipient is responsible for obtaining the number. Prior to requesting a DUNS number, the organization should investigate if a DUNS number has already been issued to the organization. Most large organizations, independent libraries, colleges and research universities already have DUNS numbers. Sub-recipients can obtain a DUNS number by calling a toll-free number 800-234-3867. The approximate time it takes to get a DUNS number is 10 to 15 minutes, and there is no charge. Applicants may also obtain a DUNS number by accessing the D&B Web site at <http://fedgov.dnb.com/webform>. The approximate time to create the number online is one business day. Applicants must note that information entered and used to obtain the DUNS number will be used to pre-populate the CCR.

After obtaining a DUNS number, sub-recipients should wait 24 to 48 hours to register with the CCR so that its DUNS number has time to become activated in the D&B records database. Once the DUNS number is established, the direct grant recipient and sub-recipient must maintain current registrations in the CCR at all times in which they have active Federal awards funded with Recovery Act funds.

b. Registering with the CCR. The second requirement for sub-recipients under the Recovery Act is to register with the CCR. The CCR is a government-wide registry for vendors doing business with the Federal government. The CCR centralizes information about grant recipients and also provides a central location for grant recipients to change organizational information. Information for registering with the CCR and online documents can be found at www.ccr.gov. Grant and sub-grant recipients should review the Central Contractor Registration user guide at <http://www.ccr.gov/handbook.asp>. If an organization has the necessary information ready, online registration will take approximately 30 minutes to complete; however, depending upon the size and complexity of the organization it could take

much longer. The CCR registration process also includes a validation on the Internal Revenue Service (IRS) Employer/Taxpayer Identification Number (EIN/TIN) of each new and updating CCR registrant according to the IRS records. Sub-recipients (and direct grant recipients) must annually update or renew their registration at www.ccr.gov, by clicking on the link entitled, "Update or Renew Registration." If you need assistance with the CCR registration process, you may contact the CCR Assistance Center, 24 hours a day, 7 days a week at 888-277-2423 or 269-961-5757.

1. *CCR Use of D&B Information.* In July 2006, CCR implemented a policy change related to data elements. Under this policy change, instead of obtaining name and address information directly from the registrant, CCR obtains the following data fields from D&B: Legal Business Name; Doing Business as Name; Physical Address; and Postal Code (Zip+4).

Registrants will not be able to enter or modify these fields in CCR as they will be pre-populated using previously registered DUNS records data. During a new registration, or when updating a record, the registrant has a choice to accept or reject the information provided from the D&B records. If the registrant agrees with the D&B supplied information, the D&B data will be accepted into the CCR registrant record. If the registrant disagrees with the D&B supplied data, the registrant must go to the D&B Web site at <http://fedgov.dnb.com/webform> to modify the information contained in the D&B records before proceeding with its CCR registration. Once D&B confirms the updated information, the registrant must revisit the CCR Web site and "accept" the D&B changes. Only at this point will the D&B data be accepted into the CCR record. This process can take up to 2 business days for D&B to send modified data to CCR, and that timeframe may be longer if the data is sent from abroad. Once a registration is submitted successfully, the organization will receive an email welcoming it to CCR.

2. *CCR EIN/TIN Validation.* To complete the CCR registration and satisfy the Recovery Act requirement as a sub-recipient for the Department of Labor (DOL) grants, the EIN/TIN combination you provide to the IRS Consent Form must match exactly to the EIN/TIN used in Federal tax matters. It will take approximately up to 2 business days to validate new and updated records prior to becoming active in CCR. Please be sure that the data items provided to D&B match information provided to the IRS. If the registration in D&B and the CCR do not match the IRS information, an error message will result. If there are discrepancies, they must be resolved before the registration will be completed. DOL recommends that applicant organizations carefully review their D&B and CCR registration information for accuracy immediately upon publication of this notice. If you have questions about your EIN/TIN, call 800-829-4933.

6. Inquires. Questions regarding this issuance should be directed to the appropriate Employment and Training Administration regional office.