



GAO Technical Bulletin

Arizona Department of Administration ♦ General Accounting Office

Subject: ***FFATA Data Elements and Reporting Considerations*** Issued: 10/28/10
 Manual Section(s): N/A Effective: 10/01/10
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TO: Technical Bulletin Administrators
 All Agencies

FROM: D. Clark Partridge
 State Comptroller

AUTHORITY

A.R.S. § 35-101	Definitions
A.R.S. § 35-131	Accounting system; reports; notice of deficiency; forms
A.R.S. § 35-142.01	Reimbursement of appropriated funds; receipt and deposit
A.R.S. § 41-101.01	Authority to accept and expend certain funds
A.R.S. § 41-703	Duties of director
A.R.S. § 41-722	Powers and duties relating to finance
A.R.S. § 41-732	Powers and duties relating to general accounting activities
P.L. 109-282	Federal Funding Accountability and Transparency Act
SAAM Section M	Federal Financial Assistance

DEFINITIONS

Agency: Any department, authority, board, commission, council, administration, court, registrar, office, institution, or other entity in the Executive, Legislative, or Judicial branch of Arizona State Government. In contexts that are directive in nature, the use of the term “agency” may imply that employee or those employees within the organization—such as the agency head, the CFO, etc.—responsible for carrying out the procedures under consideration.

ARRA: The American Reinvestment and Recovery Act. A Federal law.

Award: The making available of money under the terms of a contract or grant.

Capacity: The role fulfilled by an entity with respect to an award.

CCR: Central Contractor Registration; the primary registrant database for contractors providing goods or services to the Federal Government.

CFDA number: A unique number created in the Catalog of Federal Domestic Assistance database that tracks all domestically funded Federal assistance programs.

Contract: An agreement between two or more entities whereby at least one of them promises to do (or not to do) something in exchange for something done or promised by the other or others.

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CRDA: Cooperative Research and Development Agreement. An agreement between a government agency and a private company to work together to develop and commercialize new technologies.

DBA name: The name under which an entity does business when such name differs from the entity's legal name.

DUNS number: Data Universal Numbering System number; a nine-digit identification number—unique to an entity, its location, one of its divisions, etc.—provided by Dun & Bradstreet.

DUNS number+4: An extended form of the DUNS number, created by CCR registrants, when there is a need for more than one bank account at a certain location to receive electronic funds transfers.

FFATA: The Federal Funding Accountability and Transparency Act. A Federal law that requires certain recipients of Federal monies to report upon the receipt and expenditure of such monies.

GAO: General Accounting Office; a division of the Arizona Department of Administration.

Grant: An award of money given by a governmental entity to some other entity for the purpose of achieving some goal or supporting some program. The terms and conditions governing the award are contained in a document referred to as the grant agreement.

NAICC: The six-digit North American Industry Classification Code used to classify business establishments according to the type of economic activity conducted by an entity at a given location.

OMB: The United States Office of Management and Budget.

Reporting template: The data set and its related configuration required by the Federal government for reporting awards, receipts, disbursements and other particulars related to Federal grants and contracts.

Role: The capacity in which, for the transaction under consideration, an entity acts. A State agency may fill several roles with respect to a given award or an assortment of different roles with respect to any number of different awards. The roles that may be assumed by entities with respect to contracts and grants include:

- **Awardee:** An entity that receives, directly or indirectly, an award of Federal monies.
- **Beneficiary:** An entity, most frequently an individual, that ultimately derives the benefits of the program the award is intended to fund.

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- *Conduit*: A State agency functions as a conduit when it receives Federal grant monies but transfers these funds, essentially intact, to another State agency. In its role as conduit, the agency has reporting but no oversight obligations.
- *Contractor*: An entity that provides services or goods, often on a large scale or continuing basis, under the terms of a contract.
- *Delivery*: The role adopted by a vendor when providing goods or services.
- *Pass-through activity / pass-through grantor / pass-through recipient agency*: A pass-through activity involves transferring Federal grant monies from one State agency to another when the agency to which the monies are transferred is, except for vendors or individuals, the final recipient of the monies and fulfills a performance role with respect to such monies. The agency that is the final recipient is referred to as the pass-through recipient agency; a pass-through recipient agency receives its funding, directly or indirectly, from a pass-through grantor.
- *Performance*: The role played by a State agency or a subrecipient when it takes on the responsibility of accomplishing the goal or supporting the operations of the program for which the award is made.
- *Prime awardee*: The entity, also known as a prime recipient, that receives, under a grant agreement, an award directly from the Federal government.
- *Prime contractor*: The entity that receives, under a contract, an award directly from the Federal government.
- *Prime recipient*: The entity, also known as a prime awardee, that receives, under a grant agreement, an award directly from the Federal government.
- *Recipient*: Any entity—prime recipient, subrecipient, subsubrecipient—other than a vendor or beneficiary that receives Federal grant or contract monies.
- *Reporting*: The role played by a State agency or a subrecipient or a subsubrecipient in communicating the award, subaward, contract and/or grant as well as the receipt and/or disbursement of Federal monies, the results of relevant program operations, and/or the accomplishment of program goals to the entity from which the monies were received.
- *Subawardee*: An entity that receives an award from a prime awardee.
- *Subcontractor*: A contractor that receives, under contract, an award from a prime contractor.

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- ***Subrecipient:*** A non-Federal, non-State entity (a for-profit organization, not-for-profit organization, or a governmental entity) that expends Federal monies received from another entity to carry out a Federal program or the terms of a grant or contract, other than an individual who is a beneficiary of such program. For reporting purposes under ARRA, State universities are required to be treated as subrecipients for pass-through activities; for all other purposes, State universities are pass-through recipient agencies for pass-through activities. Subrecipients, under the terms of a governing contract or grant agreement, support the performance of some substantive portion of a project or program. The terms, conditions and performance obligations of a Federal grant carry forward to a subrecipient; such terms and conditions include, but are not limited to:
 - Meeting the objectives of the underlying Federal program.
 - Making eligibility determinations.
 - Enforcing compliance with Federal guidelines.

In summary, a subrecipient is largely responsible for the results of a program or project.

- ***Subrecipient monitoring:*** Collectively, the oversight activities required of a recipient when it engages a subrecipient (or a subrecipient when it engages a subsubrecipient) to accomplish the goals or to support the operations of a program for which an award is made.
- ***Subsubcontractor:*** A contractor that receives, under contract, an award from a subcontractor.
- ***Subsubrecipient:*** A non-Federal, non-State entity that expends Federal monies received from a subrecipient or another subsubrecipient.
- ***Vendor:*** A vendor is responsible for providing goods or services necessary to conduct a program or project, but is not responsible for the results of the program or project. A vendor:
 - Provides goods and services, as specified by purchase order or contract.
 - Provides goods and services that are ancillary to the operation of program.
 - Provides similar goods or services to many different purchasers.
 - Competes with other vendors providing similar goods or services.

In summary, a vendor is not responsible for the results of a program or project.

Subaward: An award from an entity acting in the role of prime awardee and an entity filling the role of subawardee.

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Subcontract: A contract made between an entity acting in the role of prime contractor and an entity filling the role of subcontractor.

TAS: Treasury Account Symbol. A code, originating with the OMB, that identifies Federal funding sources. It is comprised of a two-character agency code, the four-character account code, and if applicable, the three-character sub-account code.

Transaction type: A code assigned by the Federal government that identifies the nature of grant or contract related transactions.

INTRODUCTION

The Federal government enacted FFATA as part of its effort to increase transparency and accountability with respect to governmental expenditures. This is the first in what will be a series of technical bulletins dealing with aspects of FFATA and its impact upon State agencies. This technical bulletin deals with general requirements, implementation dates, and the data that will be required when FFATA reporting goes into effect.

As did ARRA before it, FFATA permits two different reporting models: centralized and decentralized. The reporting model to be use by the State of Arizona was not determined by this technical bulletin's publication date. However, the data elements which need to be initially collected for reporting and the awards to which the reporting requirements apply are known. This technical bulletin is issued to help agencies identify the awards and the data relating to those awards that can be identified in preparation for reporting.

As the reporting requirements related to grants increases, so does the need to communicate those requirements to agencies. This technical bulletin introduces terminology to deal with the various and varying roles entities may play with respect to Federal grants and contracts. Moreover, the relationships between and among those entities are contained in a graphic at the end of this technical bulletin.

Not all of the definitions or roles set forth in this technical bulletin appear in this technical bulletin; they are included because they may appear in the exhibits supporting this technical bulletin, as parts of different definitions, in other technical bulletins dealing with related topics, or in grant or contract related publications of the Federal government.

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POLICIES & PROCEDURES

1. All State agencies must have the legal authority, generally derived from statute, to receive grant monies in order to directly apply for or accept any Federal awards. However, the Governor, except as otherwise provided by law, is authorized to accept and expend any grants, donations, aids, or other funds received from the Federal government.
2. Under FFATA, certain data elements relating to specified awards, as discussed below, involving Federal grants or contracts initiated on or after October 1, 2010, must be collected by agencies when acting in the capacity of prime recipient. Such data shall be reported monthly to the Federal government on a rolling basis; the procedures for reporting will be addressed in a future technical bulletin. The reporting date is the last day of the month following the commencement of the award (e.g., if the first day of the grant is March 8, the relevant data must be reported to the Federal government not later than the following April 30). The first reporting deadline for the State of Arizona will be November 30, 2010, for grants and contracts that were initiated in October 2010.
3. The GAO will prescribe reporting procedures, consistent with its agreements with the Federal government and the needs of the State, to be used by agencies, recipients, subrecipients, contractors, etc.
4. The agency acting as the prime recipient has the responsibility of collecting, directly or indirectly, for the grants and contracts subject to reporting, the data elements described below. This reporting requirement will, as is from time directed by the GAO, be satisfied by timely reporting to the GAO or to the Federal government website established for such purpose. While much of this data is expected to be on file with the Federal government and used to prepopulate Federal reporting templates, it is nonetheless the obligation of recipients to collect and, if necessary, provide the required data. It is the responsibility of a State agency acting in the role of prime recipient to have the required data relating to its subrecipients and subsubrecipients available for reporting purposes and to assure the accuracy of such data.
5. All agencies receiving Federal monies in any role other than that of prime recipient have the responsibility of collecting, directly or indirectly, for the grants and contracts subject to reporting, the data elements described below, as they relate to monies received from another agency acting in any role. These data elements will be reported, directly or indirectly, to the prime recipient.
6. The data elements relating to any recipient—prime recipient, subrecipient or subsubrecipient—that are required to be collected and reported under FFATA include:
 - a. The legal name of the entity receiving the award.

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- b. The DBA name of any subawardee or subsubawardee organization.
 - c. Amount of the award and any subawards.
 - d. Award and subaward information, including:
 - i. Transaction type.
 - ii. Federal funding agency.
 - iii. As appropriate, the CFDA number or NAICC.
 - iv. TAS.
 - v. Award title that describes the purpose of the funding.
 - e. The project description, i.e., the overall purpose of the award.
 - f. Location of the entity receiving the award.
 - g. Primary location of performance under the award, including:
 - i. City.
 - ii. State.
 - iii. Congressional district.
 - iv. Country.
 - h. The DUNS number of the entity, awardee receiving the award (and of its parent entity, when applicable) and/or the DUNS number+4, when applicable.
 - i. The names and total compensation of the five most highly compensated officers of the awardee and its subawardees (under certain conditions).
 - j. Other information that may be required by future Federal or State guidance.
7. The following types of contracts must be reported:
- a. From October 1, 2010, until February 28, 2011, any newly awarded subcontract if the prime contract award is five hundred fifty thousand dollars (\$550,000) or more.
 - b. Starting March 1, 2011, any newly awarded subcontract must be reported if the prime contract award amount is twenty-five thousand dollars (\$25,000) or more.
8. Grants of twenty-five thousand dollars (\$25,000) or more awarded on or after October 1, 2010, must be reported by the prime recipient, unless the grant fits into one of the following categories:
- a. Grants, whether existing or new as of October 1, 2010, that are funded by ARRA.

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- b. Awards or advances funding CRDAs.
- c. Federal awards to individuals who apply for or receive Federal awards as natural persons rather than as a business or non-profit organization.
- d. Federal awards to an entity that had gross income from all sources of less than three hundred thousand dollars (\$300,000) in the entity's previous tax year.
- e. Federal awards when the required reporting would disclose classified information.

ATTACHMENTS

Federal Grant Roles and Responsibilities, a graphic illustrating roles related to the administration of Federal grants.

ADDITIONAL RESOURCES

Additional information concerning FFATA is available in the Federal Government's presentation that may be viewed at:

https://webinars.symplicity.com/fsrs/fsrs_prime_awardee_training_webinar.wmv

ON-LINE AVAILABILITY

Copies of all Technical Bulletins and many GAO Forms are available for viewing and downloading from the General Accounting Office Website located at:

<http://www.gao.az.gov>

AREAS IMPACTED

All State agencies.

CONTACTS

If you have any questions concerning this Technical Bulletin, please contact your GAO Liaison. You may also e-mail questions or comments concerning State policy and procedure to us at:

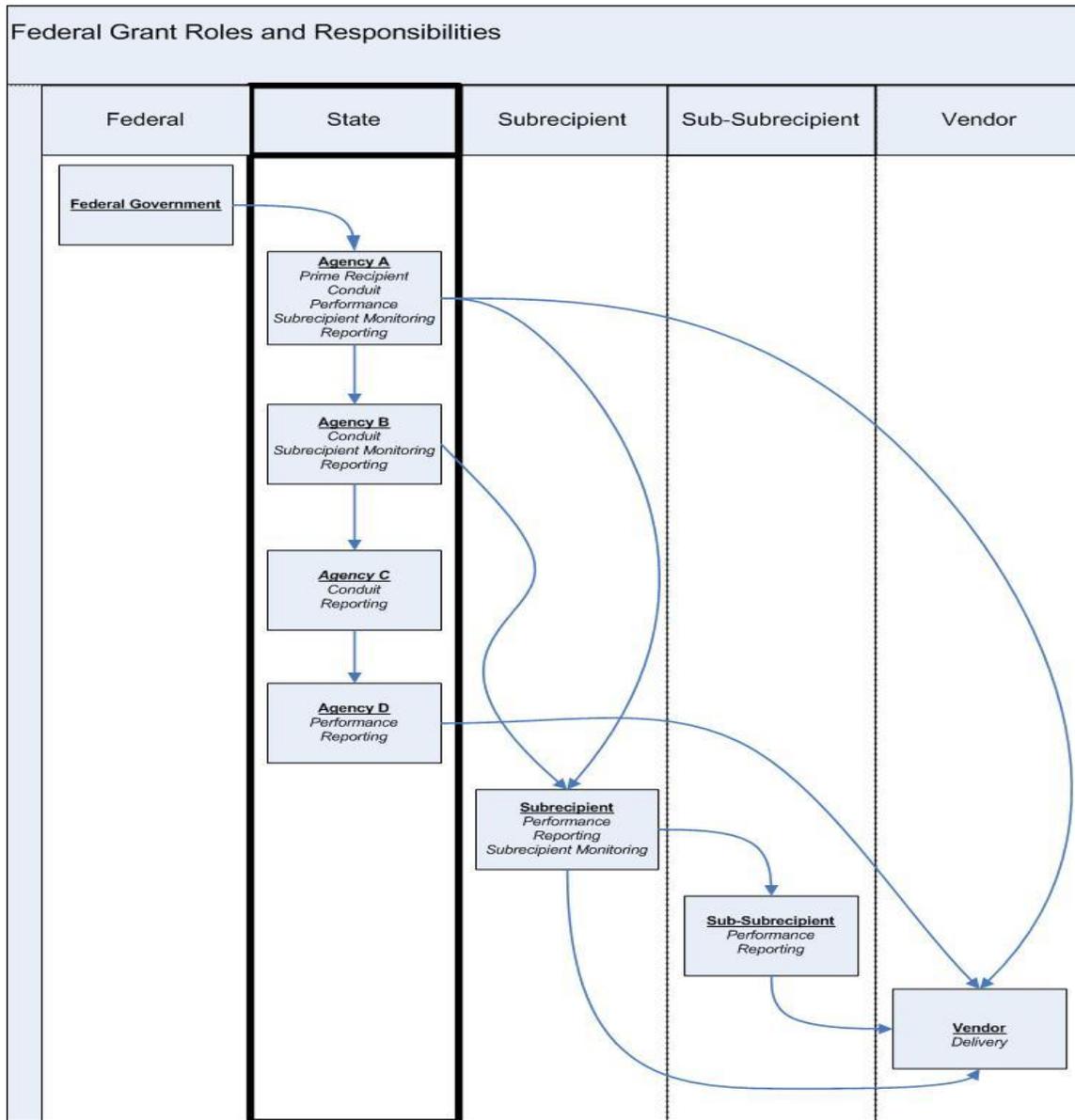
gaopolicy@azdoa.gov

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This graph illustrates the principal roles and responsibilities related to the administration of Federal grant monies. Not all the possible roles and responsibilities related to Federal grants and contracts are shown. The curved lines terminating in arrows represent the flow of monies. Entity identities are **Bold and Underlined**; the roles these entities play are given in ***Italics***. Monies crossing the dark vertical lines are to be accounted for as revenues, when coming into the State, or expenditures, when leaving the State. Monies traveling vertically between agencies, that is to say, without crossing one of the dark vertical lines, are to be accounted for as interagency transfers.