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Primer on ARRA Reporting

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The first quarterly reporting deadline for American Recovery and Reinvestment Act (ARRA) funds – Saturday, October 10, 2009 – is fast approaching. Reports may be submitted starting October 1. Following is a primer on the ARRA reporting requirements to assist Community Action Agencies (CAAs) and other organizations in the Community Services Block Grant (CSBG) network in preparing for this and future reporting deadlines.

Who Must Report?

Reporting requirements apply to prime recipients of ARRA awards of \$25,000 or more, and in some cases, their sub-recipients. For ARRA reporting purposes, prime recipients to entities receiving ARRA funding directly from the federal government and include states receiving CSBG or Weatherization Assistance Program (WAP) ARRA funds, or other types of “pass-through” ARRA funds, as well as CAAs receiving Head Start ARRA funding. Sub-recipients are entities receiving ARRA funding from prime recipients and include CAAs receiving CSBG and/or WAP ARRA funds from states and delegate agencies receiving Head Start ARRA funds from CAAs.

Prime recipients must report certain information on each sub-award of \$25,000 or more and each payment to a vendor of \$25,000 or more. Sub-awards of less than \$25,000 each, payments to vendors of less than \$25,000 each, and sub-awards to individuals may be reported in the aggregate; prime recipients should provide separate aggregate totals for each of these categories.

However, prime recipients may delegate certain reporting responsibilities to sub-recipients for data relating to a sub-recipient’s activities. A prime recipient must widely and clearly communicate this delegation to its sub-recipient(s) and must design a process that prevents double-reporting of the same activity by both the prime recipient and the sub-recipient and ensures that only one party may make changes during the corrections phase of reporting.

What Is the Timeline for Reporting?

Reports must be submitted on **www.federalreporting.gov** by each quarterly reporting deadline, which is 11:59 pm on the 10th day after the end of the quarter (quarters end in September, December, March and June). In some cases, such as the upcoming October 10 deadline, this date may fall on a weekend.

Following is the reporting timeline that will be used for each quarterly reporting period:

1st – 10th days after quarter-end: Reports accepted.
10th day after quarter-end: Reporting deadline.

- 11th – 21st days after quarter-end:** Prime recipients and federal agencies can review reports. Corrections may be made but will be tracked by version control.
- 22nd – 30th days after quarter-end:** Recipients can modify reports during this period, but only after a reviewing federal agency identifies an issue to be resolved and “unlocks” the report.
- After 30th day after quarter-end:** Reports are “locked” and posted on www.recovery.gov with notations indicating whether reports have been reviewed by federal agencies. These notations will include any comments from the federal agencies that reviewed the reports. Any errors after this point should be reported on the following quarter’s report, since reporting is cumulative.

Is Registration Required?

Each individual who will be submitting or reviewing reports on behalf of a recipient must first register as a user at www.federalreporting.gov. Registration requires a valid e-mail address, a D-U-N-S number for the organization that is receiving the grant award being reported on, and a Central Contracting Registration (CCR) number for that organization. A D-U-N-S number can be obtained at <http://fedgov.dnb.com/webform/>; CCR registration is available at www.ccr.gov. As registration can take several business days to be processed, be sure to register well in advance of the ARRA reporting deadline. A step-by-step registration guide is available at www.recovery.gov/FAQ/recipient/Pages/Recipient_Reporting.aspx.

How Do You Report?

Reports may be submitted to www.federalreporting.gov using any of three methods: (1) data entry through a web browser; (2) submission of a Microsoft Excel spreadsheet (using the template available at www.federalreporting.gov); or (3) using a custom software system extract in XML (guidelines available on www.federalreporting.gov). CAPLAW anticipates that most CAAs will use the Excel spreadsheet. The spreadsheet includes instructions for how to fill in each field (when in the document, click on the field and a box with instructions will pop up). It contains separate worksheets for information about prime recipients, sub-recipients and vendors. The structure of the spreadsheet should not be modified.

Individual federal departments have issued guidance on ARRA reporting (links to federal department reporting guidance are available at www.recovery.gov/FAQ/recipient/Pages/Recipient_Reporting.aspx). In particular, HHS has issued sample Excel spreadsheet reporting templates for some various programs, including CSBG. The HHS reporting guidance and sample templates are available at www.hhs.gov/recovery/reports/reportingassistance.html.

Two other documents will be useful during the reporting process: the Recipient Reporting Data Model for the quarter for which the organization is reporting (this document, which is

sometimes referred to as the “data dictionary,” is available on <https://www.federalreporting.gov/federalreporting/downloads.do>, along with a number of other documents useful for reporting); and, if your organization is a prime recipient, its ARRA financial assistance award (FAA) document(s) from the federal government. Individuals responsible for reporting should review these documents along with the Excel reporting template before beginning the reporting process to ensure that all necessary data have been collected. The Recipient Reporting Data Model provides specific guidance on how to complete each cell in the data reporting methods discussed above. Additionally, if your organization is receiving funds directly from the federal government, you will be able to find a number of data elements – such as the award type, award number, award date, amount of award, CFDA number (or “Cat No:” as it is called on the award document) – on your organization’s FAA document(s).

ARRA funds must be reported separately from other funding sources, even if used to supplement an existing grant. One method of determining whether a particular grant is ARRA funding or other funding is to review the FAA document previously mentioned. If the “Award Authority” box refers to ARRA or American Recovery and Reinvestment Act, then these funds are ARRA funds and must be reported on www.federalreporting.gov by the appropriate reporting deadline.

What Information Must Be Reported?

Following is a list of the information that must be reported on prime recipients, recipient vendors, sub-recipients, and sub-recipient vendors. For more detail on these reporting requirements, see the Excel spreadsheet template and the Recipient Reporting Data Model.

Prime Recipient *(The prime recipient must report this information.)*

1. Federal funding agency name
2. Award identification
3. Recipient D-U-N-S
4. Parent D-U-N-S
5. Recipient CCR information
6. CFDA number, if applicable
7. Recipient account number
8. Project/grant period
9. Award type, date, description, and amount
10. Amount of federal Recovery Act funds expended to projects/activities
11. Activity code and description
12. Project description and status
13. Job creation narrative and number
14. Infrastructure expenditures and rationale, if applicable
15. Recipient primary place of performance
16. Recipient area of benefit
17. In certain circumstances, names and compensation of the recipient’s five most highly compensated officers¹
18. Total number and amount of small sub-awards; less than \$25,000

Recipient Vendor *(The prime recipient must report this information on each vendor to whom it makes payment(s) of \$25,000 or more with ARRA funds.)*

1. Vendor D-U-N-S (if vendor has one) or name and zip code of headquarters
2. Expenditure amount
3. Expenditure description

Sub-Recipient *(The following information is required for each sub-recipient receiving \$25,000 or more in ARRA funds from the prime recipient. The prime recipient must either report this information itself, using data provided by its sub-recipients, or delegate reporting of this information to its sub-recipients. Ultimately, however, the prime recipient is responsible for the proper reporting of this information.)*

1. Sub-recipient D-U-N-S
2. Sub-recipient CCR information
3. Sub-recipient type
4. Amount received by sub-recipient
5. Amount awarded to sub-recipient
6. Sub-award date
7. Sub-award period
8. Sub-recipient place of performance
9. Sub-recipient area of benefit
10. In certain circumstances, names and compensation of the sub-recipient's five most highly compensated officers²

Sub-Recipient Vendor *(Basic identifying information on each vendor receiving more than \$25,000 in ARRA funds from each sub-recipient receiving \$25,000 or more in ARRA funds from the prime recipient must be reported. The prime recipient must either report this information itself, using data provided by its sub-recipients, or delegate reporting of this information to its sub-recipients. Ultimately, however, the prime recipient is responsible for the proper reporting of this information.)*

1. Vendor D-U-N-S (if vendor has one) or name and zip code of headquarters

What Information Must Be Reported?

Prime recipients are required to report an estimate of jobs directly created or retained by project and activity or contract. They are required to report an aggregate number for the cumulative jobs created or retained for the quarter in a numeric field and to provide a narrative description of the employment impact (the narrative should include a brief description of the types of jobs created or retained). Recipients must include in their aggregate number and narrative description an estimate of jobs created and retained on projects and activities managed by their ARRA sub-recipients and vendors.

A job created is a new position created and filled or an existing unfilled position that is filled as a result of ARRA funding; a job retained is an existing position that would not have been continued to be filled were it not for ARRA funding. A job is either created or retained; it cannot be reported as both.

The number of jobs created or retained as a result of ARRA funding should be expressed as "full-time equivalents" (FTEs), which are calculated as total hours worked in jobs created or retained divided by the number of hours in a full-time schedule (as defined by the recipient in its usual personnel policies that differentiate full-time from part-time employees). For a detailed

example of how to calculate FTEs, consult Section 5.3 on page 35 of the June 22, 2009 Office of Management and Budget (OMB) Guidance, M-09-21, available online at www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-21.pdf. The FTE estimates must be reported cumulatively each calendar quarter.

Recipients are to report on all projects and activities funded in whole or in part by ARRA, but should report only on the jobs and funding attributable to an award under ARRA. Only jobs that are directly created by (or have been retained only as the result of) ARRA funding are to be included in job creation and retention reports. As a result, employees who are not directly charged to ARRA-supported projects or activities, who, nonetheless, provide critical indirect support should not be counted as jobs created or retained. Furthermore, recipients should not attempt to report on the employment impact on materials suppliers and central service providers (“indirect” jobs) or on the local community (“induced” jobs).

Prime recipients are required to generate estimates of job impact by directly collecting specific data from sub-recipients and vendors on the total FTE resulting from a sub-award. To the maximum extent practicable, information should be collected from all sub-recipients and vendors in order to generate the most comprehensive and complete job impact numbers available. Job estimates regarding vendors of prime- or sub-recipients, should be limited to direct job impacts for the vendor and should not include “indirect” or “induced” jobs. However, in limited circumstances, the prime recipient can employ an approved statistical methodology to generate estimates of job impact, thereby collecting data from a smaller subset of sub-recipients and vendors in order to extrapolate an estimate of job impacts to all applicable sub-recipients and vendors. However, some federal departments (such as HHS) do not permit the use of statistical sampling, while others (such as the Department of Energy) do. Therefore, statistical sampling should only be used with specific approval from the federal awarding agency.

The basic requirements for jobs reporting are outlined in June 22 guidance from the federal Office of Management and Budget (OMB) available online at www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-21.pdf (see Section 5 on pages 33-37). In addition, federal departments have issued supplemental guidance on jobs reporting; links to agency reporting guidance are available at www.recovery.gov/FAQ/recipient/Pages/Recipient_Reporting.aspx.

Who Is Responsible for Ensuring Reporting Data Quality?

Prime recipients have the principal responsibility for ensuring data quality (i.e. accuracy, completeness, and timely reporting of information), though sub-recipients delegated to report on behalf of prime recipients share in this responsibility. The OMB has not established a required methodology for conducting data quality reviews (beyond requiring them to be completed), but indicates broadly that the purpose of the data quality reviews is to eliminate two key data problems – material omissions and significant reporting errors. Information on the data quality review process is provided in Section 4.3 (beginning on page 27) of the June 22, 2009 OMB Guidance.

The OMB defines a material omission as an instance where required data is not reported or the data reported is not responsive to the data requests resulting in a significant risk that the public would be misled as a result of the report. In other words, a material omission occurs if a recipient fails to report, fails to complete required elements of the reporting form, or provides incorrect data in response to a request on the reporting form.

The OMB defines a significant reporting error as an instance in which required information is not reported accurately and the error results in significant risk that the public would be misled as a result of the report. An example provided by the OMB is of a recipient or sub-recipient who reports ARRA expenditures greater than the amount of funding awarded by the funding source, excluding funding resulting from match requirements.

A list of responsibilities for recipients, sub-recipients, federal agencies, and federal oversight authorities is provided in the OMB guidance. Of particular note is that recipients and sub-recipients are responsible for implementing internal controls to ensure data quality. The OMB provides an illustrative list of internal controls for this purpose on page 29 of the June 22, 2009 OMB guidance.

Prime recipients and sub-recipients reporting data must conduct data quality reviews both prior to, and following, the formal submission of data. The post-submission review period extends from the 11th day of the reporting month to the 21st day of the reporting month, during which time significant reporting errors or material omissions can be corrected. Prime recipients must inform sub-recipients of any data quality issues and submit all corrections by the 21st day of the reporting month. However, no separate statement of assurance or certification will be required of prime recipients with respect to the quality of sub-recipient data.

Are There any Special Record-Keeping Requirements

The information to be submitted to www.federalreporting.gov is intended to be drawn from records kept of the sources and uses of ARRA funds. While separate bank accounts are not required, ARRA funds must be tracked, accounted for, and reported on separately from other grant funds, such as normal CSBG or WAP grants. Prime recipients must also ensure that sub-recipients are following similar record-keeping procedures for their sub-awards. Sub-awards made with ARRA funds must be distinguished from regular sub-awards in the records of both the prime recipient and the sub-recipient.

Recipients and sub-recipients should take care to generate and follow written procedures for reporting. For example, records should be kept of the method for calculating full-time equivalents (FTEs) for the purpose of documenting jobs created or retained as a result of ARRA funding. If, in the future, the recipient is audited by a funding source, these records, policies, and procedures will likely prove useful substantiating entries in the ARRA reporting.

Are There Other Issues to Be Concerned About Beyond Reporting?

Several topics that are not directly related to reporting are also worthy of mention:

- Indirect costs must be applied to ARRA funds as they would be applied to any other grants; however these costs are not currently required to be reported (but must be provided to federal agencies upon request).
- ARRA expenditures must also be reported separately on the Schedule of Expenditures of Federal Awards and Data Collection Forms required by OMB Circular A-133.
- Reporting, fiscal accountability, and performance measurement requirements that apply to “regular” program funds also apply to ARRA funds for those programs (for example, for Results Oriented Management and Accountability (ROMA) requirements apply to CSBG ARRA funds, as well as “regular” CSBG funds).

Websites on ARRA Reporting

- Main ARRA reporting website:
www.FederalReporting.gov
- Office of Management and Budget (OMB) web page on ARRA reporting:
www.recovery.gov/?q=content/recipient-reporting
- See especially the June 22 OMB guidance:
www.whitehouse.gov/omb/recovery_default/
- Link to materials from and mp3 files of OMB webinars on ARRA reporting:
www.whitehouse.gov/Recovery/WebinarTrainingMaterials/
- OMB ARRA FAQs:
www.whitehouse.gov/omb/recovery_faqs/
- Federal agency guidance on ARRA reporting:
www.recovery.gov/FAQ/recipient/Pages/Recipient_Reporting.aspx
- Federal Office of Community Services (OCS) guidance on CSBG ARRA reporting requirements:
www.acf.hhs.gov/programs/ocs/csbg/arra_grantee.html
- U.S. Department of Energy (DOE) web page on WAP ARRA reporting:
http://apps1.eere.energy.gov/weatherization/recovery_act_faqs.cfm

¹ Note that most CAAs probably will not have to report the names and compensation of their five most highly compensated officers. This requirement applies only if: (1) during the preceding fiscal year, the recipient or sub-recipient received (a) 80 percent or more of its annual gross revenues from federal contracts (and subcontracts), loans, grants (and sub-grants) and cooperative agreements, and (b) \$25,000,000 or more in annual gross revenues from such federal funding; and (2) information regarding the recipient’s five most highly compensated employees is not available to the public on IRS form 990 or in filings made with the Securities and Exchange Commission (SEC).

² See footnote 1 above.