

## **FEDERAL FUNDING ACCOUNTABILITY & TRANSPARENCY ACT (FFATA)**

### **General Information:**

The Federal Funding Accountability and Transparency Act (FFATA) was signed on September 26, 2006 (FFATA or Transparency Act - P.L. 109-282, as amended by section 6202(a) of P.L. 110-252). The intent is to empower every American with the ability to hold the government accountable for each spending decision. The end result is to reduce wasteful spending in the government. The FFATA legislation requires information on federal awards (federal financial assistance and expenditures) be made available to the public via a single, searchable website, which is [www.USASpending.gov](http://www.USASpending.gov).

### **Overview and Applicability of FFATA**

Under federal grants – reporting of first-tier subrecipients:

- Applies to any newly awarded prime grants greater than or equal to \$25,000 with an issue date of Oct. 1, 2010 or later.
- Excludes vendor agreements.

Under federal contracts subject to FAR 52.204-10 – reporting of first-tier subcontractors:

- Applied to subcontracts under federally-awarded contracts and orders valued greater than or equal to \$550,000 from October 1, 2010 through February 28, 2011.
- Applied to subcontracts under federally-awarded contracts and orders valued greater than or equal to \$25,000 from March 1, 2011 through September 30, 2015.
- Applies to subcontracts under federally-awarded contracts and orders valued greater than or equal to \$30,000 starting October 1, 2015.
- Includes vendor agreements.

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### **Penn State FAQ**

#### **Incoming subagreements:**

##### **1. Did PSU's gross income from all sources in the previous tax year exceed \$300,000?**

YES

##### **2. What address should be used for PSU's place of performance?**

The purpose of this question is to determine the congressional district where the federal funds are going. So, it is important to list the address where most of the work is being done (if at a Cooperative Extension or satellite campus, use that address; if at a field site, use that address; if done on campus; use University address or PI's address, as identified in Attachment 3).

### **3. Who provides PSU's project description?**

If clearly understood from the title of the project, the negotiator may use the title for the basis of the project description. (Example: “Collaboration on...(title)”). If not clearly defined by the title, the PI should be contacted for a brief description of their role on the project (a few sentences will suffice).

### **4. Is PSU exempt from reporting executive compensation?**

YES

#### **4.a. Why?**

The University does not derive 80% of its revenue from Government sources (due to tuition), but the University does have at least \$25,000,000 or more in annual gross revenues from Federal contracts (and subcontracts), loans, grants (and sub-grants) and cooperative agreements.

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#### Outgoing subagreements (PSSUBS):

##### **1. Who is responsible for FFATA reporting at Penn State?**

The Office of Sponsored Programs (OSP). Information is collected by way of the Subaward Request Form and/or by using the FFATA version of the Research Subaward Agreement.

##### **2. When do we use the FFATA Research Subaward Agreement?**

It is recommended that this version be used when issuing any subaward under a federal prime award received by PSU 10/1/2010 or after. Additionally, the “yellow sheet” will be stamped with a red “FFATA Reporting” stamp at the log-in stage.

##### **3. When is it necessary to use the FFATA-specific subaward amendment?**

If FFATA information was not captured when the initial subaward was issued (perhaps because the amount was below the \$25K threshold initially, or the FFATA version of the subaward was not used).

##### **4. If we are issuing a subagreement under a COP prime with federal flow-through, are we required to request FFATA information from the subrecipient for reporting purposes?**

NO

#### **4.a. Why not?**

Currently, subrecipient reporting under FFATA only applies to the 1<sup>st</sup> tier subrecipient (thus, COP would be required to report on their subagreement to PSU, but the requirement does not flow down beyond PSU).

*Note: The same logic would apply if PSU is issuing a subagreement under a subagreement from another university, where there is a federal prime (Again, PSU would be the 1<sup>st</sup> tier).*

#### **5. What is the “obligation date” or “award date” of the subagreement for FFATA reporting purposes?**

The date of obligation is the date that the subagreement is fully executed.

#### **6. Why is the “obligation/award date” important?**

We are required to file a FFATA report by the end of the month following the month in which we make any subaward “obligation” equal to or greater than \$25,000.

*Note: It is important to make sure that the requested FFATA data form (Attachment 3B) is completed upon receipt of the fully executed subaward in order to avoid delinquent reporting.*

#### **7. When is a subrecipient required to report executive compensation?**

The names and total compensation of the five most highly compensated officers must be listed if—

- (i) the entity in the preceding fiscal year received—
  - (I) 80 percent or more of its annual gross revenues in Federal awards (federal contracts (and subcontracts), loans, grants (and subawards) and cooperative agreements) AND (II) \$25,000,000 or more in annual gross revenues from Federal awards; and
  - (ii) the public does not have access to information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.

*Note: If an OSP negotiator encounters a subrecipient that is reluctant to report this information, they should seek written confirmation that the subrecipient is registered in the CCR. If so, we can access the required information there.*

Other:

**If we receive a prime award which has incorporated FFATA reporting as a requirement (for example, US Department of Education), who reports on behalf of PSU?**

The Prime Sponsor's Contracting Officer obtains our FFATA-related data by way of our DUNS number. No action is required on the Penn State's part unless a first-tier subaward is issued under the prime. At such time, OSP will gather the necessary data and handle the reporting.

9/30/2011

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