



**GRANTS POLICY**  
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# **Grants Policy Committee Stakeholders' Webcast December 10, 2009**

***Sheldon Edner***  
***GPC Member*** 1



# Purpose & Outcome

## Purpose

*To provide a forum for the grants community to ask questions to the Recovery Accountability and Transparency Board (RATB) about Recovery Act grants reporting requirements*

## Outcome

*Understanding of grants community reporting requirements and lessons learned*



# Agenda

- Welcome & Introduction
- ARRA Reporting Overview and Lessons Learned
- GAO Findings on ARRA Recipient Reporting
- ARRA Reporting and the Single Audit Pilot
- Quick GPC Update
- Final Q & A
- Close



# Presenters

## **Sheldon Edner**

*Department of Transportation*

*Associate Director, Financial Management*

## **Sandy Swab**

*Recovery Accountability and Transparency  
Board*

*Senior Data and Policy Analyst*



# Presenters

## **Yvonne Jones**

*Government Accountability Office  
Director of Strategic Issues*

## **Marguerite Pridgen**

*Office of Management and Budget, Office  
of Federal Financial Management  
Senior Policy Analyst*



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# ARRA Reporting Overview and Lessons Learned

**Sandra Swab**  
**Senior Data and Policy Analyst**  
**Recovery Accountability and**  
**Transparency Board**

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# Recovery Board Structure



- The Recovery Board is comprised of 12 members from the Federal Inspector General (IG) community
- The Recovery Board is supported by:
  - Independent Advisory Panel
  - General Counsel
  - Communications



# Recovery Board Structure



Board Chairman, Earl Devaney Manages:

- Recovery.gov: Technology & Systems; Content; and Data Analysis
- Oversight: Investigations; Audits, Evaluations & Inspections; and Procurement & Grant Compliance
- Mission Support: Finance & Budget; Congressional and Intergovernmental Affairs; and External Reporting



# Organizational Relationships



## Recovery.gov

- Recovery Board: Manages  
FederalReporting.gov & Recovery.gov
- OMB: ARRA Implementation/Policy Guidance
- DHS: Information Security Monitoring
- EPA: FederalReporting.gov/Technology  
Support
- GSA: Database, Internet Connectivity,  
Technical



# Architecture



**FederalReporting.gov**

**Recipient**

**In-Bound Reporting**



**Database**

**Recipient Registration**

**Recipient Reporting**

**Agency Validation**



**Data**

**Replicated**



**Recovery.gov**

**Out-Bound Reporting**



**GSA Database**

**Web Portal**

**Data Storage**

**Data Visualization**

**Content Management**

**Pre-Compiled Reports**

**Raw Report Data**



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# Recovery Reporting Overview



How Recovery funds are split:

Recovery Funding: 28 Agencies

ARRA Funding Distribution of \$787 Billion

- \$288 Billion Tax Benefits
- \$275 Billion Contracts, Grants & Loans
- \$224 Billion Entitlements



# Recovery Reporting Overview



## Section 1512 Reporting

First Quarter of Recipient Reporting indicated:

- 130,362 Award Reports Submitted
- \$212.0 Billion Total Award Amounts Reported
- 640,329 Jobs Reported



# 1512 Recipient Reporting *Grants, Contracts, Loans*



## Prime Recipient Breakout

Primes	Jobs	Award Reports	Total Award Amount	Amount Rec'd
Contracts	30,908	7,076	\$17.7 B	\$ 2.4 B
Grants	607,918	49,323	\$139.4 B	\$ 34.2 B
Loans	1,503	587	\$1.7 B	\$ .065 B
<b>Total</b>	<b>640,329</b>	<b>56,986</b>	<b>158.8 B</b>	<b>\$36.6 B</b>



# 1512 Recipient Reporting *Grants, Contracts, Loans*



## Sub-Recipient Breakout

Sub-Recipients	Award Reports	Total Award Amount
Contracts	6,004	\$2.8 B
Grants	67,352	\$50.4 B
Loans	20	\$.028 B
Total	73,376	\$53.2B



# Recipient Reporting – Data Findings



- No Money Received; Jobs Created/Retained:
  - 5,124 Reports/77,391 Jobs
- No Money Received & No Money Expended;  
Jobs Reported:
  - 3,424 Reports/58,430 Jobs
- Expended \$10.0K or Less; Created Jobs:
  - 6,700 Reports/73,607 Jobs



# Recipient Reporting – Data Findings



- Jobs reported decreased 71% between 10/10 and 10/30 during QA process & recipients corrected
- 62% of Jobs Reported are in the funding range of \$10,000,001 and above
- 24% of Jobs Reported are in the funding range of \$1,000 – 500,000



# Recipient Reporting – Data Field Changes



Data fields most frequently changed by recipients:

- Number of Jobs
- Description of Job Created
- Sub-Award Date
- Award Description
- Quarterly Activities/Project Description



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# Recipient Reporting – Data Field Changes



## Data Fields with Most Changes Continued:

- Sub-Recipient Primary Place of Performance
- Funding Agency Codes
- Zip Code Plus Four



# Recipient Reporting – Troublesome Data Fields



Our analysis found that the following data fields are the most troublesome for recipients:

- Funding and Awarding Agency Codes and Names
- Treasury Account Symbol Codes (TAS)
- Congressional District Recipient and Place of Performance
- Job Reporting
- Federal Award Number or ID



# Improving Recipient Reporting



- Limit the agency code selection
- Create linkage of CFDA numbers to agency codes/names
- Provide a copy forward capability to limit data entry
- Encourage data entry via the web vs. spreadsheets—Web has more capability



# Improving Recipient Reporting



- Assist OMB in improving data definitions and written guidance for recipient reporting
- Assist OMB in clearly identifying significant errors and material omissions for agencies and recipients
- Collaborate with stakeholders to improve the review process for recipients and Federal agencies



# Recipient Reporting Tips



- New Recipients/Reporters should register early prior to reporting date
- Gather award documents/material for reporting and review material against the data required for reporting
- Questions regarding funding agency and awarding agency codes—discuss with agency contact prior to reporting



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# A Paradigm Shift: Accountability & Transparency



- First time direct recipient reporting is done government-wide all at one time
- First time for allowing open analysis on the reported data
- Complete transparency made available to American public on use of specific funds



# A Paradigm Shift: Accountability & Transparency



## A Paradigm Shift for the Government Management Process is Beginning

- Agencies are linking ARRA funding requirements to budget, finance, funded programs and program performance measures
- Agencies are reporting funding and outlays outside of normal channels for public consumption



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# A Paradigm Shift: Accountability & Transparency



- Recipients become active participants with Federally funded programs by demonstrating delivery of services and stewardship of Federal funds and reporting-- Recovery.gov
- The public has input on ARRA funded projects by reviewing recipient reports and offering input directly on projects
- Performance measurement becomes an important factor to determine future direction

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# Question & Answer Session



## Any Questions?

Call: 202-708-0995

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Email: [HUDTV@HUD.GOV](mailto:HUDTV@HUD.GOV)



# **GAO Findings on ARRA Recipient Reporting Recovery Act First Quarterly Recipient Reporting**

*Yvonne Jones*  
*Director of Strategic Issues*

**GAO**



- GAO-10-223 Recovery Act: Recipient Reported Jobs Data Provide Some Insight into Use of Recovery Act Funding, but Data Quality and Reporting Issues Need Attention (issued on November 19, 2009)



- Report objectives:
  - The extent to which recipients were able to fulfill their reporting requirements and the processes in place to help ensure recipient reporting data quality, and
  - How macroeconomic data and methods, and the recipient reports, can be used to assess the employment effects of the Recovery Act, and the limitations of the data and methods



# I. Processes and Guidance for Recipient Reporting

## A. What worked?



1. Given the national scale of the recipient reporting exercise and the limited time frame within which it was implemented the ability of the reporting mechanism to handle the volume of data from a wide variety of recipients represents a solid first step in moving toward more accountability and transparency in using federal funds



2. The agencies we reviewed had had their data quality review plans assessed by their Inspector Generals (IG)s. Published IG audits on agencies' Recovery Act data quality reviews that we examined indicated that federal agencies were using a variety of data quality checks that included automated or manual data quality checks or a combination.



3. Agencies performed data quality checks and corrected erroneous data reported to FederalReporting.gov. More than three quarters of prime recipient reports were marked as having undergone agency review.

Number of Prime Recipient Reports	%	Reviewed by Agency	Reviewed by Prime Recipient	Correction
2,959	5	No	No	No
8,201	14	No	No	Yes
1	1<	No	Yes	Yes
37,911	67	Yes	No	No
7,900	14	Yes	No	Yes
13	1<	Yes	Yes	No
1	1<	Yes	Yes	Yes
<b>Total</b>	<b>56,986</b>	<b>100</b>		

**Table 6: Prime Recipient Reports Reviews and Corrections**



4. Every state that we contacted and the District of Columbia had quality review processes in place at the state or at the state agency level.



5. OMB and Recovery Board and agencies provided guidance to states and primes and sub-recipients. We were told that the guidance was helpful to reporters.



6. A good faith effort made by the jurisdictions that we visited to report complete and accurate data.



# I. Processes and Guidance for Recipient Reporting

## B. What were the problems?



1. Varying interpretations of the reporting guidance
  - a. Variation in performance period for calculating jobs

<b>Table 4: Aggregation of FHWA FTE Data</b>	<b>Project A</b>	<b>Project B</b>	<b>Project C</b>	<b>Total</b>
<b>Start Date</b>	<b>July 1</b>	<b>Aug 1</b>	<b>Sept 1</b>	
<b>FTE</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>30</b>
<b>Duration of project as of Sept 30</b>	<b>3 mo</b>	<b>2 mo</b>	<b>1 mo</b>	
<b>Avg. mo. FTE per FHWA</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>30</b>
<b>Cumulative FTE per OMB guidance</b>	<b>10</b>	<b>6.67</b>	<b>3.33</b>	<b>20</b>
<b>FTE standardized quarterly</b>	<b>10</b>	<b>6.67</b>	<b>3.33</b>	<b>20</b>
<b>Job Years</b>	<b>2.5</b>	<b>1.67</b>	<b>0.83</b>	<b>5</b>



- b. Variation in understanding how to calculate a full time equivalent jobs number

Table 5: OMB's Cumulative FTE vs. Standardized Measure	Project X	Project Y	Total
Start Date	July 1	Oct 1	
FTEs	10	10	20
Duration of project as of Dec 30	6 mo	3 mo	
Cumulative FTE per OMB guidance	10	10	20
FTE standardized quarterly	20	10	30
Job years	5	2.5	7.5



2. Confusion about the definition of a job retained and how to count it. How do you prove you would have eliminated a job? What do you do if you wouldn't have fired staff and plan to keep them after the Recovery Act is implemented?



3. Some guidance from agencies came late in the reporting process, for example from HUD and the Department of Education that had less previous experience than DOT, in calculating jobs produced by programs they fund and administer.



## II. Data displayed on Recovery.gov



# Data Displayed on Recovery.gov



1. GAO calculated the overall sum and sum by states for number of Full Time Equivalents (FTE)s reported, award amount, and amount received. We found that these data corresponded closely with values shown for these data on Recovery.gov.



2. Some of the data fields we examined with known values such as the Treasury Account Symbol (TAS) codes and Catalog of Federal Domestic Assistance (CFDA) numbers showed no invalid values on recipient reports.



3. However when we combined the TAS and CFDA data fields with the data filed identifying who the funding or awarding agency is, we found 454 reports with a mismatch on the CFDA number--therefore the CFDA number shown on the report did not match the CFDA number associated with either the funding or awarding agency shown on the report.



4. On TAS codes, we identified 595 reports where there was no TAS match. Included in the mismatches were 76 recipient reports where GAO was erroneously identified as either the funding or awarding agency.



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# Data Displayed on Recovery.gov



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- These mismatches suggest that either the identification of the agency the TAS and CFDA codes are in error on the recipient report.



5. We examined the relationship between recipient reports showing the presence or absence of any FTE counts with the presence or absence of funding amounts shown in either or both data fields for amount of Recovery Act funds received and amount of funds expended. Forty-four percent of the prime recipient reports showed and FTE value. We don't know why 56% did not show an FTE value.



6. We identified 3, 978 prime recipient reports where FTEs were reported and no dollar amounts recorded for funds received and amount of Recovery Act funds expended. These records account for 58, 386 of the total 640, 329 FTEs reported. 71% of the prime recipient reports that did not show any FTEs also did not show any dollar amounts in the data fields for amount of Recovery Act funds received and expended.



7. There were 9,427 reports that showed no FTEs but did show some funding amount in either or both of the funds received or expended data fields. The total value of the funds reported was \$965 million.



# Challenges



**Table 3: Count of Prime Recipient Reports by Presence or Absence of FTEs and Recovery Act Funds Received or Expended**

<b>Recovery Act Funds</b>	<b>Reports w / FTEs</b>	<b>Reports w/o FTEs</b>
<b>Received or expended funds reported*</b>	<b>21,280 (84%)</b>	<b>9,247 (29%)</b>
<b>No received or expended funds reported</b>	<b>3,978 (16%)</b>	<b>22,481 (71%)</b>
<b>Total</b>	<b>25,258 (100%)</b>	<b>31,728 (100%)</b>

\* Prime recipient report showing a non zero dollar amount in either or both Recovery Act funds received or expended data fields.



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# Technical Reporting & Processing Glitches



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## III. Technical Reporting and Processing Glitches



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# Technical Reporting & Processing Glitches



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1. State officials with decentralized reporting structures reported problems downloading submitted information from Recovery.gov to review top-line figures such as money spent and jobs created or retained.



2. One state said that FederalReporting.gov was very slow. The state noted that every time the system was processing input and it encountered an error, it kicked back the whole submission, but showed only one error. This happened several times.



3. Other recipients reporters we interviewed reported issues with DUNS numbers and other key identifiers, along with the inability to enter more than one congressional district for projects that span multiple districts.



4. For the most part, state officials reported being able to work through technical reporting and processing glitches. A number of states noted that in spite of the tremendous amount of data being submitted, FederalReporting.gov held up well



## OMB should:

- Clarify the definition and standardize the period of measurement for FTEs and work with federal agencies to align this guidance with OMB's guidance and across agencies;



- OMB should:
  - Given its reporting approach, consider being more explicit that “jobs created or retained” are to be reported as hours worked and paid for with Recovery Act funds;



- OMB should:
  - Continue working with federal agencies and encourage them to provide or improve program-specific guidance to assist recipients, especially as it applies to the full-time equivalent calculation for individual programs; and



- OMB should:
  - Work with the Recovery Board and federal agencies to:
    - Re-examine the review and quality assurance processes, procedures and requirements in light of experiences and identified issues with this round of recipient reporting;
    - Consider whether additional modifications need to be made; and
    - Identify if additional guidance is warranted



As recipient reporting moves forward, we will continue to review the processes that federal agencies and recipients have in place to ensure the completeness and accuracy of data, including reviewing a sample of recipient reports across various Recovery Act programs to assure the quality of the reported information.



As existing recipients become more familiar with the reporting system and requirements, these issues may become less significant.

However, communication and training efforts will need to be maintained and in some cases expanded as new recipients of Recovery funding enter the system.



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# Question & Answer Session



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## Any Questions?

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# ARRA Reporting and the Single Audit Pilot

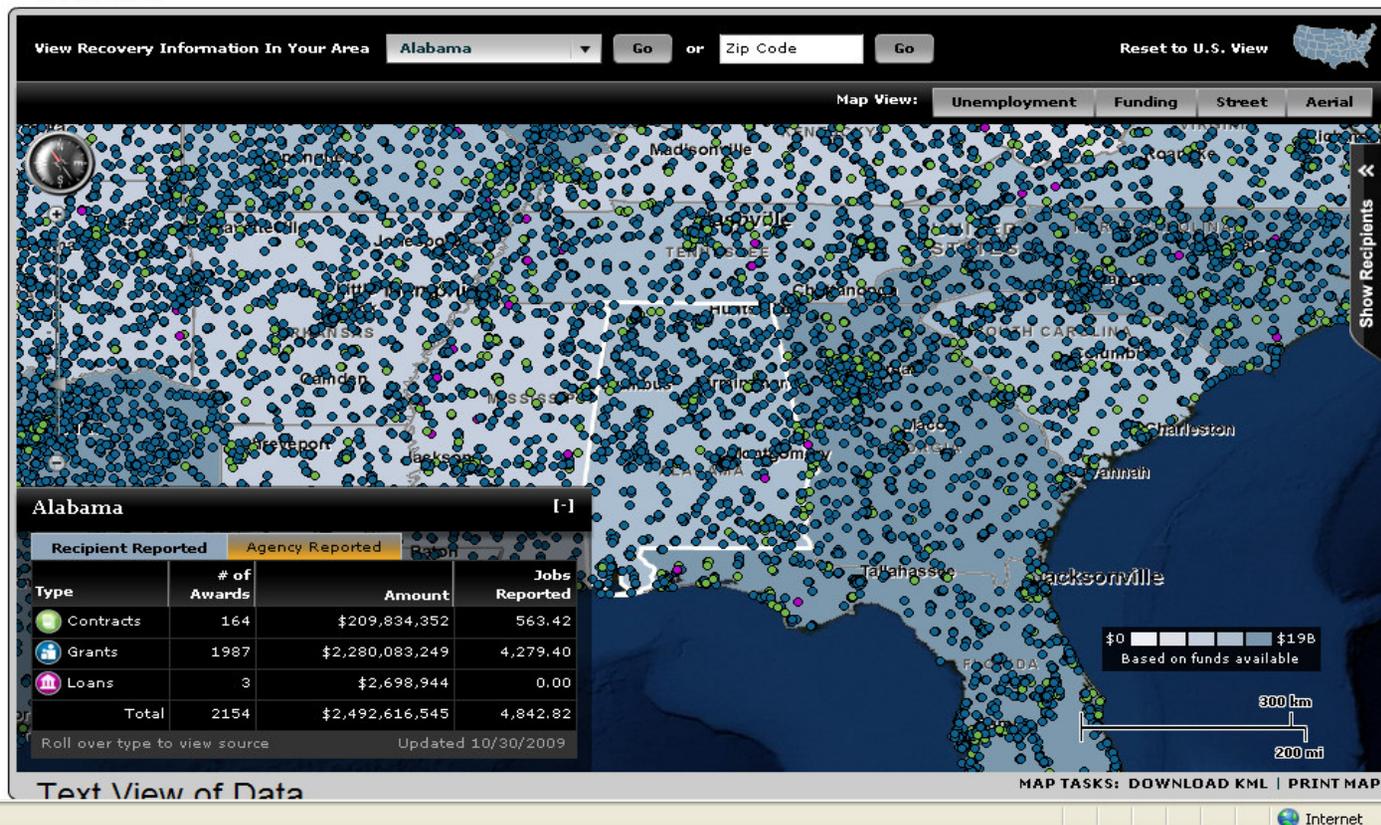
*Marguerite Pridgen*  
*OFFM, OMB*



# Where is the money going?

## WHERE IS THE MONEY GOING?

This map shows you where the Recovery Act money is going and who is getting it. Use the controls along the top to choose which geographic area you would like to view. The expandable navigation on the right side allows you to refine your display options for recipients. Click on a recipient dot and view more information about their awards.





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# Where is the money *really* going?





# Single Audits

- OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations
- “Single Audits” (SA)



# OMB Guidance

- Agencies use SA for program risk assessment
- Agencies use SA for program monitoring
  - Separate ARRA CFDA, separate reporting on SEFA and DCF (including subrecipients)
- Federal Audit Clearinghouse to display all single audits



# New Appendix VII of 2009 Compliance Supplement

- Highlights audit requirements for ARRA programs



# Addendum to the CS – 6/30

- More detailed requirements on ARRA programs
- Guidance on Internal Control Review
- New Cluster Listing
- ARRA program compliance requirements in Part 4
- ***Early communication by auditors to management***



# Single Audit Internal Control Pilot Project – ARRA Programs



# Objective

Early communication by auditors to management, and those charged with governance, of identified control deficiencies related to ARRA funding as needed to expedite corrective action and mitigate the risk of improper expenditure of ARRA awards.



# Scope

The pilot project will initially:

- Include at least 10 states;
- Include, at each participating state, coverage of at least 2 ARRA programs; and
- Focus on the internal control over compliance for the 6 types of compliance requirements under A-133 compliance supplement.



# Approach

Collaborative effort between:

- Volunteer non-Federal entities expending ARRA awards (Auditees)
- Auditors performing audits of Auditees with ARRA expenditures (Auditors)



# Compliance Requirements Covered

- Activities Allowed or Unallowed (the OMB Circular A-133 Compliance Supplement requirement A )
- Allowable Costs (requirement B)
- Cash Management (requirement C)
- Eligibility Requirement (requirement E)



# Compliance Requirements Covered

- Reporting
  - Reports identified in Part 4 of the Addendum
  - Systems designed to collect the data required by the ARRA section 1512 report (Compliance requirement L), applicable only to entities with fiscal year ended after June 30, 2009



# Compliance Requirements Covered

- Special Tests and Provisions – R1—  
separate accounting for funds provided  
under Recovery Act (requirement N)



# Key Players

- Federal awarding agencies
- Government Accountability Office
- Recovery Accountability and Transparency Board
- American Institute of Certified Public Accountants (AICPA)
- Office of Management and Budget
- Auditors
- Auditee management



# Selected ARRA Programs

- DOL 17.225 – Unemployment Insurance
- DOT 20.205 – Highway Infrastructure Investment Recovery Act
- DOT Cluster 20.500/20.507 – Federal Transit – Capital Investment Grants
- EPA 66.458 – Capitalization Grants for Clean Water State Revolving Funds



# Selected ARRA Programs

- EPA 66.468 - Capitalization Grants for Drinking Water State Revolving Funds
- DOE 81.042 – Weatherization Assistance for Low Income Persons
- ED Cluster 84.394/84.397 - State Fiscal Stabilization Fund
- ED Cluster 84-010/84.390 - Title I Grants to Local Educational Agencies
- HHS 93.713 - Child Care Development Block Grant



# Selected ARRA Programs

- HHS 93.778 - Medicaid Assistance Program
- Multiple Agencies - Research and Development Cluster



# Projected Timeframe

September 2009

Spring 2010

OMB  
engages  
stakeholders



AICPA issues  
SAS No. 112



Pilot  
participants  
selected



Early  
communication  
from auditors to  
auditees

Corrective  
action  
plans  
distributed  
to Fed  
agencies

Risk  
assessments  
and follow-up  
by Fed  
agencies



# Summary

- Early Communication on Internal Controls of ARRA programs
- Timely & useful information for management and Federal agencies on ARRA Programs
- Early corrections & Resolution of deficiencies
- Volunteer states and selected ARRA Programs
- Selected areas of internal controls
- Timeframe and Status



# Quick GPC Update

*Sheldon Edner*

*GPC*



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# Question & Answer Session

## Any Questions?

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***Thank you for joining us!***

*To view today's webcast and PowerPoint presentation, and to submit feedback go to:*

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