

Stimulus guidance calls for more detailed reporting

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The Office of Management and Budget has released detailed guidance outlining the type of information that recipients of Recovery Act funds will be required to collect, including substantially more data from subrecipients and vendors.

The long-awaited 41 page guidance (http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-21.pdf) also clarifies the amount of spending and jobs data that funding recipients are required to collect and how that information will be delivered to the government.

"People will be able to see who is receiving funds, what projects are under way, how money is being spent, and how many jobs are being created or saved," said OMB Director Peter Orszag in statement. "They will know who is getting the funds and what the dollars are paying for."

The June 22 memo expands on OMB's April 3 guidance (http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-15.pdf) by providing specifics on the type of information that recipients must report.

For example, the earlier guidance said prime recipients -- those receiving funds directly from an agency -- of Recovery Act contracts or grants were responsible for reporting subcontracts or subgrants. Under the new guidance, subrecipients now will have their own reporting requirements, although the prime recipient will remain responsible for ensuring that the data is accurate and submitting it to OMB.

The new guidance stated that by the 10th day of each quarter, prime stimulus recipients must publicly report:

- Awarding agency, award type, spending amount, date of work and place of performance
- Project description and status
- Specific figures for jobs created or saved
- Infrastructure expenditures

- Names and compensation of the five highest paid employees

Prime recipients will be allowed to aggregate reporting on awards and payments of less than \$25,000, but do not have to provide detailed information on such projects.

Subrecipients also will have to report on the amount of funds received and spent; place of performance; date of work, and the names and compensation of the five highest paid employees.

In addition, if a vendor is paid more than \$25,000 to work on a Recovery Act project, the prime recipient must report the company's name, how much it was paid and a brief description of the services rendered. Subrecipients making payments of more than \$25,000 to vendors must provide only the name of the company performing the work.

The guidance applies to recipients and subrecipients of grants, loans, tribal agreements, cooperative agreements and contracts made by an entity other than the federal government. Recipients of direct federal contract awards still must follow the interim Federal Acquisition Regulation guidance http://www.govexec.com/story_page.cfm?filepath=/dailyfed/0309/033109rb1.htm&oref=search released in March. A final rule is expected to be published soon.

Government watchdogs have complained in recent months that the initial OMB guidance would not allow for the tracking of contractors, subcontractors, grantees and subgrantees when the funding was funneled through multiple layers of state and local governments. Monday's guidance appears to have addressed some of those issues.

"This can be very complex," said Ed Pound, spokesman for the Recovery Accountability and Transparency Board, which provides oversight of all stimulus funds. "But to the question of are we going to be able to know where the money is going ... the answer is yes."

Others still have concerns, however. A Republican House aide said the level of data required on stimulus funding to vendors, specifically from subrecipients, falls well short of expectations. The source also would like to see real-time rather than quarterly reporting.

Industry officials also are worried that frequent guidance updates could create an administrative burden, particularly for funding recipients that have spent considerable time complying with earlier memos.

"To the extent that there are major changes, it complicates compliance," said Alan Chvotkin, vice president of the Professional Services Council, a contractor trade association.

Funding recipients will submit the required data through a new Web portal, FederalReporting.gov. (<http://www.federalreporting.gov/>) OMB said the centralized reporting site will be user-friendly and will simplify the reporting burden on recipients.

"We're putting in place a streamlined, manageable way for them to report and make the information available to the American people," Orszag said.

Award recipients are encouraged to register with the site within 10 business days of receiving an award, once the portal is up and running. Vendors will not be allowed to input the data themselves; only the prime and subrecipients will have access to the reporting portal.

The first set of recipient reports will be available to the public on Oct. 10 through Recovery.gov. Each subsequent report will be cumulative, building on data in the initial filing.

In July, OMB and the Recovery Board will host a series of forums, meetings and small-scale data collection pilots to troubleshoot the reporting system.

Prime funding recipients also will be required to track the number of jobs that were created or retained for the quarter due to the stimulus and must provide a narrative description of the employment impact. Data on indirect or induced jobs -- such as a materials supplier or a restaurant feeding Recovery Act workers -- should not be collected.

In a change from earlier guidance, recipients should report job estimates for all subawarded funds by directly collecting specific data from subrecipients and vendors.

The job estimate should be tallied as "full-time equivalents," the memo stated. An FTE is calculated as the total hours worked in a job created or retained divided by the number of hours in a full-time schedule.

Among a series of anticipated questions addressed in the memo, Orszag lays out the ramifications of noncompliance with the reporting requirements.

The memo stated that no waivers for recipients will be provided, although reporting extensions might be granted for extraordinary circumstances such as a natural disaster. Failure to meet reporting requirements will be considered a violation of the contract agreement and the awarding agency will be able to take remedial action, such as withholding funds, terminating the contract, or suspending or debaring the contractor.

Agencies will be required to review the recipient information once it is submitted to FederalReporting.gov to look for material omissions or significant reporting errors. But the agency will not have to certify or explicitly approve the data, according to the guidance.