



Grant Information Circular

National Aeronautics and
Space Administration
Washington, DC 20546

GIC 11-01

January 24, 2011

IMPLEMENTATION OF THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) OF 2006

PURPOSE: To provide guidance on implementing the Federal Funding Accountability and Transparency Act (FFATA) (PL 109-282 as amended by section 6202(a) of PL 110-252), which results in new requirements for prime grant and cooperative agreement recipients to report first-tier subawards and executive compensation.

BACKGROUND: On August 27, 2010, the Administration issued a memorandum with the subject line: Open Government Directive – Federal Spending Transparency and Subaward and Compensation Data Reporting. Increasing transparency and improving access to Federal Government Information, particularly information on Federal spending, was identified as a primary objective in the memorandum. The memorandum directed Federal agencies to implement new statutory requirements for reporting subaward and compensation data under Federal contracts, grants, and cooperative agreements. On September 14, 2010, via a Federal Register notice, the Office of Management and Budget (OMB) issued interim final guidance to agencies to immediately proceed with the implementation of requirements for Federal financial assistance applicants, recipients, and subrecipients that are necessary for the implementation of certain parts of the Transparency Act. The OMB guidance also introduces a new General Provision that must be included in Agency grants and cooperative agreements as of October 1, 2010 (see Enclosure 2). While the OMB guidance is considered interim final, it is unlikely that the guidance will change substantively between now and when it becomes final because the FFATA requirements are explicit. Any changes to the requirements as a result of the final OMB guidance will be reflected in an update to this GIC, as necessary.

FFATA reporting is distinct from the reporting requirements under the American Recovery and Reinvestment Act (The Recovery Act). FFATA requires far less reporting by recipients and much less verification by the Agency. Most notably, FFATA reporting is done in the Integrated Acquisition Environment (IAE), which is comprised of Government-wide procurement data systems. Much of the effort associated with Recovery Act reporting results from the use of the stand-alone FederalReporting.gov system, which is managed outside of the Federal procurement community.

GUIDANCE:

APPLICABILITY: This guidance is applicable to all NASA grants and cooperative agreements awarded on or after October 1, 2010, under which the total Federal funding will be equal to \$25,000 or more at any time during the term of the grant or cooperative agreement. Moreover, this guidance is applicable to any existing grant or cooperative agreement that is amended at any time during the term of the award to increase the total award value by \$25,000 or more.

PRIME RECIPIENT RESPONSIBILITIES

1. For all NASA grants and cooperative agreements under which the total Federal funding authorized to date under the prime award is \$25,000 or more and the new General Provision is included, the prime recipient shall report each first-tier subaward funding action that is equal to \$25,000 or more. This information shall be entered in FFATA Sub-Award Reporting System (FSRS) by the end of the month following the month of the prime award. (For example, if the obligation was made on November 7, 2010, the obligation must be reported in FSRS not later than December 31, 2010.)
2. For all NASA grants and cooperative agreements under which the total Federal funding authorized to date under the prime award is \$25,000 or more and the new General Provision is included, the prime recipient shall report total compensation for each of its five (5) most highly compensated executives. This information shall be entered in the Central Contractor Registry (CCR) by the end of the month following the month of the prime award, and must be reported annually thereafter.
3. For all NASA grants and cooperative agreements under which the total Federal funding authorized to date under the prime award is \$25,000 or more and the new General Provision is included, the prime recipient shall report the executive compensation for each subrecipient (five (5) most highly compensated executives) where the total funding authorized to date under the subaward is \$25,000 or more. This information shall be entered in FSRS by the end of the month following the month of the subaward, and must be reported annually thereafter.

NOTE: Notwithstanding these general reporting requirements, there are exceptions to the requirement to report executive compensation as well as thresholds to be met before the requirement is applicable. Hence, it is likely that many recipients may be exempt from reporting this information for themselves and for some of their subrecipients. Please refer to the General Provision set forth herein as Attachment 2 for these exceptions and thresholds.

GRANT OFFICER RESPONSIBILITIES

For all NASA grants and cooperative agreements awarded on or after October 1, 2010, under which the total Federal funding will be equal to \$25,000 or more at any time during the term of the grant or cooperative agreement, the Grant Officer shall include the General Provision set forth herein as Attachment 2. For any existing grant or cooperative agreement that is amended at any time during the term of the award to increase the total award value by \$25,000 or more, for any reason, the Grant Officer shall include the General Provision set forth herein as Enclosure 2 by the same amendment. The applicable General Provision is available in PRISM/Contract Management Module (CMM).

Agencies are responsible for quarterly verification of recipient reports in FSRS. Ultimately, this is a Grant Officer responsibility, but Centers may elect to have other individuals or teams undertake the quarterly verification. The verification is limited to ensuring consistency with grant and cooperative agreement information that is readily available to the Grant Officer. The review is necessary because the integrated system will cross check recipient entries against Federal Procurement Data System – Next Generation (FPDS-NG) data and any anomalies will require correction by either the recipient or the Grant Officer. Examples of data fields that Grant Officers must verify include:

- Grant/Cooperative Agreement Number
- Awarding Agency Name (NASA)
- Awarding Agency Code (8000)
- Funding Agency Name (NASA)
- Funding Agency Code (8000)
- Treasury Account Symbol (TAS) (See Enclosure 1)
- Applicable Agency CFDA Number (See GIC 10-02)

The prime recipient's reporting requirements include many data elements that Grant Officers will not know and, therefore, are not responsible for verifying, such as:

- Whether or not a first-tier subaward has been issued,
- Whether or not reported first-tier subaward's value, place of performance, etc., is accurate, or
- Whether or not a prime recipient or first-tier subaward meets the thresholds or qualifies under an exemption to executive compensation reporting.

NOTE: Among many other data elements, FSRS includes a mandatory data element for the applicable Agency Catalogue of Federal Domestic Assistance (CFDA) number. As of November 1, 2010, Grant Officers are required to provide the applicable Agency CFDA number to all recipients of NASA grants and cooperative agreements.

EFFECTIVE DATE: This GIC is effective as dated and shall remain in effect until rescinded.

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Enclosures

**DISTRIBUTION:
GIC LIST**

ENCLOSURE 1**Treasury Account Symbols**

80 0109	Office of Inspector General
80 0115	Space Operations
80 0116	Office of Inspector General – Recovery Act
80 0119	Science - Recovery Act
80 0120	Science
80 0121	Cross Agency Support – Recovery Act
80 0122	Cross Agency Support
80 0123	Exploration – Recovery Act
80 0124	Exploration
80 0125	Aeronautics – Recovery Act
80 0126	Aeronautics
80 0128	Education
80 0130	Construction & Environmental Compliance & Remediation

ENCLOSURE 2**GENERAL PROVISION - FEDERAL FUNDING ACCOUNTABILITY AND
TRANSPARENCY ACT (FFATA) OF 2006****I. Reporting Subawards and Executive Compensation.****a. Reporting of first-tier subawards.**

1. **Applicability.** Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).

2. **Where and when to report.**

i. You must report each obligating action described in paragraph a.1. of this award term to <http://www.fsr.gov>.

ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

3. **What to report.** You must report the information about each obligating action that the submission instructions posted at <http://www.fsr.gov> specify.

b. Reporting Total Compensation of Recipient Executives.

1. **Applicability and what to report.** You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if—

i. the total Federal funding authorized to date under this award is \$25,000 or more;

ii. in the preceding fiscal year, you received—

(A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

iii. The public does not have access to information about the compensation of the executives 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. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

2. Where and when to report. You must report executive total compensation described in paragraph b.1. of this award term:

i. As part of your registration profile at <http://www.ccr.gov>.

ii. By the end of the month following the month in which this award is made, and annually thereafter.

c. Reporting of Total Compensation of Subrecipient Executives.

1. Applicability and what to report. Unless you are exempt as provided in paragraph d. of this award term, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if—

i. in the subrecipient's preceding fiscal year, the subrecipient received—

(A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

ii. The public does not have access to information about the compensation of the executives 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. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

2. Where and when to report. You must report subrecipient executive total compensation described in paragraph c.1. of this award term:

i. To the recipient.

ii. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (i.e., between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

d. Exemptions

If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

- i. Subawards, and
- ii. The total compensation of the five most highly compensated executives of any subrecipient.

e. Definitions. For purposes of this award term:

1. Entity means all of the following, as defined in 2 CFR Part 25:

- i. A Governmental organization, which is a State, local government, or Indian tribe;
- ii. A foreign public entity;
- iii. A domestic or foreign nonprofit organization;
- iv. A domestic or foreign for-profit organization;
- v. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

2. Executive means officers, managing partners, or any other employees in management positions.

3. Subaward:

- i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
- ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. __.210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").
- iii. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.

4. Subrecipient means an entity that:

- i. Receives a subaward from you (the recipient) under this award; and
- ii. Is accountable to you for the use of the Federal funds provided by the subaward.

5. Total compensation means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

i. Salary and bonus.

ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.

iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.

iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.

v. Above-market earnings on deferred compensation which is not tax-qualified.

vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.