

## **CCDF-Specific Guidance to Transparency Act Requirements**

The Office of Child Care has developed this guidance in order to provide Child Care and Development Fund (CCDF) Lead Agencies with information to assist them in meeting government-wide reporting requirements mandated by the Federal Funding Accountability and Transparency Act (Transparency Act or FFATA).<sup>1</sup>

### **Summary:**

The Transparency Act aims to increase the availability of public information regarding Federal spending, as well as improving the quality of that data. The main components of the requirements include information on the first-tier subawards<sup>2</sup> related to Federal contracts and grants, and the executive compensation of prime and first-tier awardees. Public access to this information will be provided through USASpending.gov.

### **Requirements:**

*Who does this guidance apply to?*

Lead Agencies that receive more than \$25,000 in CCDF funds for FY 2012 (or subsequent fiscal years) and each subaward action that obligates \$25,000 or more in Federal funds.<sup>3</sup> Lead Agencies are required to comply with FFATA as part of the award terms of CCDF funds.<sup>4</sup>

*What are the requirements of this guidance?*

- Reporting of first-tier subrecipients or subawards.
  - o Name of the entity receiving the subaward;
  - o Amount of the subaward;
  - o Information on the subaward, including a description of the purpose;
  - o Location of the entity receiving the subaward and primary location of performance under the subaward, including city, State, congressional district<sup>5</sup>, and country;
  - o Unique identifier of the entity receiving the subaward and the parent entity of the recipient, should the entity be owned by another entity.
- Reporting of executive compensation.<sup>6</sup>
  - o For Lead Agencies:
    - Names and total compensation of the five most highly compensated officers of the State, Territory or Tribe, *IF*...

---

<sup>1</sup> P.L. 109-282, as amended by section 6202(a) of P.L. 110-252 (see 31 U.S.C. 6101 note).

<sup>2</sup> See Appendix A for a detailed description of subawards and subrecipients.

<sup>3</sup> If the initial subaward is below \$25,000 but a subsequent modifications results in a total subaward equal to or over \$25,000, the subaward will be subject to the reporting requirements, as of the date the subaward exceeds \$25,000. If the initial subaward is \$25,000 or greater but subsequent deobligations reduce the subaward to below \$25,000, FFATA requirements still apply.

<sup>4</sup> See [http://www.acf.hhs.gov/grants/award\\_term\\_ffata.html](http://www.acf.hhs.gov/grants/award_term_ffata.html)

<sup>5</sup> Congressional District information can be found by entering state and zip code at <https://writerep.house.gov/writerep/welcome.shtml>. The two digit number after the state abbreviation is the only thing that should be included in this data element.

<sup>6</sup> Executive compensation means the cash and noncash dollar value earned by an executive during the recipient's and subrecipient's preceding fiscal year. See 17 CFR 229.402(c)(2) for more information.

- the State's, Territory's or Tribe's total Federal CCDF allocation for the fiscal year is \$25,000 or more;
- in the preceding fiscal year the State, Territory or Tribe received:
  - 80 percent or more of its annual gross revenues in Federal awards, and
  - \$25 million or more in annual gross revenues from Federal awards, and
- The public does not have access to this information through other government reports.<sup>7</sup>
- For each first-tier subrecipient under the above award:
  - Names and total compensation of the five most highly compensated officers of the entity, *IF...*
    - in the subrecipient's preceding fiscal year the subrecipient received:
      - 80 percent or more of its annual gross revenues in Federal awards, and
      - \$25 million or more in annual gross revenues from Federal awards, and
    - The public does not have access to this information through other government reports.<sup>8</sup>
- Reporting exemptions.
  - If, in the previous tax year, the State, Territory or Tribe had gross income, from all sources, under \$300,000, they are exempt from the subaward requirements and subrecipient executive compensation reporting requirements above. Executive compensation reporting for the State, Territory or Tribe would still be required as long as they meet the requirements above.
  - Contracts with individuals are exempt from the reporting requirements.
- Lead Agencies must align their systems and processes to meet these requirements.

*How do Lead Agencies report on these requirements?*

- Lead Agencies will be required to register in two systems to comply with the reporting requirements.
  - Central Contractor Registration System (CCR): Registration through this system was previously required for reporting associated with American Recovery and Reinvestment Act (ARRA) funding. Lead Agencies receiving FY 2012 CCDF funds should ensure that they have an active CCR registration for the DUNS number used when awarding the grant.
    - If the Lead Agency lacks an active registration, register at <http://www.ccr.gov> by clicking on "Start New Registration" and

---

<sup>7</sup> Reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 USC 8m(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>.

<sup>8</sup> Ibid.

- following the on-screen directions. New registrations take 3-5 days to process.
      - CCR registration must be renewed each year in order for it to remain active.
    - FFATA Subaward Reporting System (FSRS): The Transparency Act Subaward Reporting System also requires registration by Lead Agencies. First-tier subawards will be reported through FSRS. Existing reporting systems used for grant reporting will be used to pre-populate Lead Agency and award information to minimize reporting burden.
      - Register at <http://www.fsr.gov>. Follow the on-screen directions to register for a new account. You will need the appropriate DUNS number.<sup>9</sup> You will receive an email message which you will need to validate to activate your account.
  - Subrecipients will not be required to directly report in either of these systems. Lead Agencies are responsible for reporting information on subawards. The subrecipients are responsible for providing Lead Agencies with required information, including subaward entity information, DUNS number, and executive compensation data when relevant.

*When must these requirements be reported?*

- Lead Agencies must report executive compensation information for States, Territories, or Tribes, where required, by the end of the following month from when the prime award is made. After this initial reporting deadline, executive compensation data must be reported annually.
  - Since States, Territories and Tribes receive their CCDF awards at the start of the fiscal year in October, the Lead Agency must report on the executive compensation, if applicable, by November 30.
- Lead Agencies must report information related to subawards and executive compensation by the end of the following month from when the subaward or obligation is made. After this initial reporting deadline, executive compensation data must be reported annually.
  - For example, if a Lead Agency makes a subaward anytime from October 1 to October 31, it must report on the subaward, and executive compensation if applicable, by November 30, 2010.

**Additional Resources:**

- Federal Service Desk live helpdesk provides support for many systems including FSRS and CCR. It is available Monday through Friday from 8am to 8pm ET at <https://www.fsd.gov/app/about>.
- OMB issued memoranda:
  - August 27, 2010, Open Government Directive – Federal Spending Transparency and Subaward and Compensation Data Reporting:

---

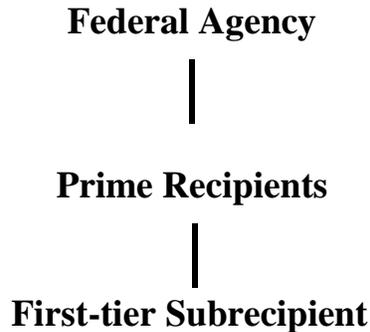
<sup>9</sup> A Data Universal Numbering System (DUNS) number is a unique, non-indicative 9-digit identifier issued and maintained by Dun and Bradstreet (D&B) that verifies the existence of a business entity globally. Go to <http://fedgov.dnb.com/webform> to request or look up DUNS numbers.

[http://www.whitehouse.gov/sites/default/files/omb/open/Executive\\_Compensation\\_Reporting\\_08272010.pdf](http://www.whitehouse.gov/sites/default/files/omb/open/Executive_Compensation_Reporting_08272010.pdf).

- Appendix C: Grants Reporting Requirements for FFATA Implementation – Data Model, includes definitions and further details on all required data elements.
- Federal Register Notices on FFATA Subrecipient Reporting
  - The most current version of FFATA regulations, including comments and responses, and requirements, <http://edocket.access.gpo.gov/2010/pdf/2010-22705.pdf>.
  - Final Guidance for DUNS number requirements: Financial Assistance Use of Universal Identifier and Central Contractor Registration, <http://edocket.access.gpo.gov/2010/pdf/2010-22706.pdf>.

## **Appendix A**

The illustration below demonstrates the basic framework for prime recipient and subrecipient reporting. Prime recipients (including CCDF Lead Agencies) must report information on first-tier subrecipients.



*Subaward:* Subawards are defined as either subcontracts or grants-specific subawards to subrecipients. For grants, a subaward means a legal instrument to provide support for the performance of any portion of the substantive program (substantive programmatic activity).

*Subrecipient:* A subrecipient is a non-Federal entity that expends Federal awards received from a Lead Agency to carry out a Federal program but does not include an individual who is a beneficiary of such a program. Per OMB Circular A-133 Section 210, the following characteristics indicate that an award was received by a subrecipient. The organization:

- Determines who is eligible for Federal financial assistance;
- Has its performance measured against whether the objectives of the Federal program are met;
- Has responsibility for programmatic decision making;
- Has responsibility for adherence to applicable Federal program compliance requirements; and
- Uses the Federal funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity.

An example of a subrecipient of CCDF funds is a county that receives money from the Lead Agency to administer CCDF certificates/vouchers. Another example would be a child care provider contracted with the Lead Agency that is responsible for determining CCDF eligibility of applicants.

Child care providers funded through certificates/vouchers are not considered subrecipients.